Time to open our eyes to Adam Smith's insight

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by Matthew Parris, The Times 16th March 2026

Last week it was the 250th anniversary of Adam Smith's *The Wealth of Nations*. His exploration of (among other things) the economic benefits of free-market competition is a masterpiece. A milestone, then, that we should celebrate.

If only. I take a melancholy view. The beating heart of Smith's body economic still fails to lodge itself properly in public understanding. The concept of "competition" (like "profit" to which it is related) remains only half grasped in popular British thought. The world of sport alone completely gets it. But as a culture we still have a problem with the idea that competition benefits the whole of society, not just the winners.

Let me point you to three apparently unrelated fields where, despite Smith, the same stubborn resistance to a truth about human nature lurks. The observations of a former constituency MP follow…

First, politics. There is not a community hall in the English Midlands where this remark by any speaker would meet anything other than enthusiastic applause: "Why do our political parties keep attacking each other? Why can't intelligent men and women all get together, sit round a table and, in a co-operative spirit, decide what's best for the country?"

Do I detect the sound of a thousand hear-hears from many Times readers? Well may you cheer, but the popular imagination does not proceed much beyond this broad-brush plea for what one might dub "sophocracy": rule by the wise. How, for instance, should the wise be chosen, other than by being pitted against each other in the bear-pit of a general election? This is not asked.

But there's a deeper problem. That dream of a grand committee of the wise fails to confront a truth that the English imagination has always resisted: the truth that two wise and good human beings, presented with the same set of facts, may differ irreconcilably on the best way to proceed.

"How so," you protest, "if they're both wise, knowledgeable and public-spirited?"

There is such a thing as ideology. Britain hates the word, shuns it, shudders at its very mention. But ideology is a taproot of political action. The difference between those claiming and those denying that they have an ideology is that the latter are unaware of it.

Conservatism is an ideology. So is socialism. So are Islam, Christianity, Judaism, capitalism, individualism, racism, democracy itself. All proceed from major premises, often unacknowledged, about the universe (is there a divine will?) and about human nature (will people labour for the general good alone? Is profit immoral? Do we have a primary duty towards our own race?).

Ideology takes people from the same set of facts to different conclusions. So these wise and public-spirited people around that table may come, if not to blows, then to fiercely divergent and often incompatible recommendations.

Beyond the battle of the manifestos is another competition intrinsic to our politics. It's about choosing our leaders as individuals. Who are the most virtuous, the cleverest, most resolute, brave or masterly? In their private deliberations these qualities will count. How can the public judge?

An important way is through public combat. Watch them fight at prime minister's questions; "unedifying", we snort; but we do take note. Is it true Kemi Badenoch is rude and lazy, Keir Starmer spineless and directionless, Ed Davey pleasant but clueless, Nigel Farage sly and crowd-pleasing, Zack Polanski nuts? Bring on the competition of character, no holds barred. Sometimes the most unedifying edifies us best.

Next, the courtroom. Any criminal barrister who has spent ten minutes in a pub will be familiar with this question, uniformly cheered by onlookers: "How can you vigorously defend a murderer if you're pretty sure they're guilty? How can you fiercely prosecute a defendant whom you suspect might well be innocent?"

Thus cornered, barristers will reply (in truth) that it's their professional duty to compete, make the best case they can, for or against, and let the jury decide.

But why, people protest? Before a case even comes to court, defence counsel may (and often do) come to compelling conclusions about their client's guilt. Shouldn't they share their doubts with the court?

Couldn't they be "sat down around a table" with the judge, police and prosecuting counsel and privately seek consensus on a just verdict? How can defence counsel walk away from a not-guilty verdict on a (to them) evidently guilty rapist and celebrate a "win" with colleagues?

The answer is that from a clash between two partisan combatants, the fairest result is likely to emerge.

In our adversarial method, two "sides" compete. The public, disapproving of political "games", don't get the adversarial method. Nor, incidentally, do millions in Africa. In many African nations the idea that government should have an "official opposition" never caught on. Many in Britain would instinctively share their thinking.

I move, finally, to the supermarket checkout, the classroom and the hospital bed. Most of my former constituents would tick "agree" to the following three opinions:

- "We don't need two supermarkets in our town: we just need one good supermarket."
- "We don't need two competing secondary schools in our town: we just need one good secondary school."
- "We don't need two hospitals in our county: we just need one good hospital."

These sentiments would be well-supported with arguments about the duplication of resources, staff and equipment, and (with supermarkets) the use of scarce land and infrastructure. Solid points, which seem to make immediate sense. And the reply? Here's Adam Smith, calling to us across the centuries: "If capital is divided between two different grocers, their competition will tend to make both of them sell cheaper than if it were in the hands of one only."

And Smith is not concerned with price alone. Absolutely not. He argues for the innovation, invention and energy that are sharpened by competition.

The counterarguments for a more consensual politics, or the pooling of public resources, or the co-operative pursuit of truth in court all sound practical. Smith's argument for aggressive rivalry and the sharp elbow of personal advantage sounds theoretical, "ideological". Yet (I suggest) experience teaches us that Smith's free-for-all brings the best rewards.

But in the mind of the common man, the argument for competition still struggles. Though all around us we can see the failure of socialist alternatives, the situation remains critical. "By pursuing his own interest," says Smith, a person "frequently promotes [the good] of the society more effectually than when he really intends to promote it."

Sounds unlikely. But it's true.

