

CHAPTER
25

Section 4

PRIMARY SOURCE *from The Wealth of Nations*
by Adam Smith

The Scottish philosopher and economist Adam Smith (1723–1790) defended the idea of a free-market economy, or the production and exchange of goods and services without interference from the government, and laid the foundation for modern capitalism. The following excerpt is from Smith's well-known book The Wealth of Nations. According to Smith, what were the effects of the division of labor?

Of the Division of Labour

The greatest improvement in the productive powers of labour, and the greater part of the skill, dexterity, and judgment with which it is anywhere directed, or applied, seem to have been the effects of the division of labour.

The effects of the division of labour, in the general business of society, will be more easily understood, by considering in what manner it operates in some particular manufactures. It is commonly supposed to be carried furthest in some very trifling ones. . . .

To take an example, therefore, from a very trifling manufacture; but one in which the division of labour has been very often taken notice of, the trade of the pin maker; a workman not educated to this business (which the division of labour has rendered a distinct trade), nor acquainted with the use of the machinery employed in it (to the invention of which the same division of labour has probably given occasion), could scarce, perhaps, with his utmost industry, make one pin in a day, and certainly could not make twenty. But in the way in which this business is now carried on, not only the whole work is a peculiar trade, but it is divided into a number of branches, of which the greater part are likewise peculiar trades. One man draws out the wire, another straightens it, a third cuts it, a fourth points it, a fifth grinds it at the top for receiving the head; to make the head requires two or three distinct operations; to put it on, is a peculiar business, to whiten the pins is another; it is even a trade by itself to put them into the paper; and the important business of making a pin is, in this manner, divided into about eighteen distinct operations, which, in some manufactories, are all performed by distinct hands, though in others the

same man will sometimes perform two or three of them. I have seen a small manufactory of this kind where ten men only were employed, and where some of them consequently performed two or three distinct operations. But though they were very poor, and therefore but indifferently accommodated with the necessary machinery, they could, when they exerted themselves, make among them about twelve pounds of pins in a day. There are in a pound upwards of four thousand pins in a middling size. Those ten persons, therefore, could make among them upwards of forty-eight thousand pins in a day. Each person, therefore, making a tenth part of forty-eight hundred pins in a day. But if they had all wrought separately and independently, and without any of them having been educated to this peculiar business, they certainly could not each of them have made twenty, perhaps not one pin in a day; that is, certainly not the two hundred and fortieth, perhaps not the four thousand eight hundredth part of what they are at present capable of performing, in consequence of a proper division and combination of their different operations.

from Adam Smith, The Wealth of Nations (1776). Reprinted in Robert L. Heilbroner, ed., The Essential Adam Smith (New York: W.W. Norton, 1986), 161–162.

Discussion Questions

- Determining Main Ideas** What type of manufacturing business did Smith use to illustrate the effects of the division of labor?
- Making Inferences** What did Smith think were the advantages of the division of labor?
- Forming and Supporting Opinions** Based on your reading of this excerpt, do you think Adam Smith supported industrialization? Why or why not?