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PRIMARY & SECONDARY SOURCES Reading 2

ADAM SMITH ON THE DIVISION OF LABOR

The division of labor is essential to the definition of the production process in the American economy. The classic discussion of the division of labor is provided by economist Adam Smith, in his Wealth of Nations, *published in 1776, from which the following is excerpted. As you read Smith's work, think about how his discussion of division of labor in a pin factory could apply to the division of labor elsewhere, such as in a computer factory. Then answer the questions that follow.*

The greatest improvement in the productive powers of labour, and the greater part of the skill, dexterity, and judgement 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 [small and unimportant] ones; not perhaps that it really is carried further in them than in others of more importance; but in those trifling manufacturers which are destined to supply the small wants of but a small number of people, the whole number of workmen must necessarily be small; and those employed in every different branch of the work can often be collected into the same workhouse, and placed at once under the view of the spectator. In those great [large] manufacturers, on the contrary, which are destined to supply the great wants of the great body of the people, every different branch of the work employs so great a number of workmen, that it is impossible to collect them all in the same workhouse. We can seldom see more, at one time, than those employed in one single branch. Though in such manufactures, therefore, the work may really be divided into a much greater number of parts, than in those of a more trifling nature, the division is not near so obvious, and has accordingly been much less observed.

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 pinmaker. . . . [In] the way in which this business is now carried on, not only the whole work [pin making] is a peculiar [unique] 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 straights 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 [that holds completed pins]; and important business of making a pin is, in this manner, divided into about eighteen distinct operations, which, in some manufacturies 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 [as a result] performed two or three distinct operations. But though they were the 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 of 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 thousand pins, might be considered as making four thousand eight hundred pins in a day.But if they had all wrought [worked] separately and independently, and without any of them having been educated to the 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 [as a result of] a proper division and combination of their different operations.

Each person, therefore, making a tenth-part of forty-eight thousand pins, might be considered as making four thousand eight hundred pins in a day.

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In every other art and manufacture, the effects of the division of labour are similar to what they are in this very trifling one; though, in many of them, the labour can neither be so much subdivided, nor reduced to so great a simplicity of operation. The division of labour, however, so far as it can be introduced, occasions, in every art, a proportional increase of the productive powers of labour.

Smith, Adam. *An Inquiry into the Nature and Causes of the Wealth of Nations.* New York: G.P. Putnam's Sons, 1904, and Loon, Methuen and Co. Ltd. 1892

ANALYZING THE READING

1. What is Smith's thesis?

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2. According to Smith, why is it "commonly supposed" that division of labor is more prevalent in smaller factories?

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3. **a.** How many pins can one person make in a day, working independently?

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b. How many pins can one person make in a day, working in the factory Smith describes?

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c. To what does Smith attribute this difference?

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4. How many different steps in the pin-making process does Smith identify in the factory?

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5. Reread the final paragraph. Do you agree with Smith? Might the division of labor ever be disadvantageous? Explain your answer.

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