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‘Real and Positive Hurt’: An Examination of Justice in the Writings of Adam Smith

Sarah Otten

A thesis submitted for the degree of Ph.D. at Trinity College Dublin

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SUMMARY

In this thesis, I examine the notion of justice in the writings of Adam Smith. I argue that Smith's conception of justice is broader than the commutative conception of justice. The commutative concept of justice is linked to a liberal account of the state. It limits justice to the state's duty to protect individual rights, most notably the protection of the individual from harm, her enjoyment of private property and the enforcement of contracts. I argue that, given Smith's own account of human nature, he would have to espouse a version of justice that protects the conditions under which the individual ability to make substantive judgements is developed.

To provide guidelines as to what justice may encompass, and a method of reading Smith's texts, I have turned to the critical theory writings of the Frankfurt School, in particular those of Max Horkheimer. His works provide a justification to read Smith's texts from a particular perspective (which I shall do in chapter five when I examine the impact of Smith's 'system of commerce' on the labouring poor), and to see the interdependence between Smith's formal institutions of the state and his assumptions about our psychological and social nature. The critical theory conception of justice hinges on its conception of the individual as historical and deeply socialized. Thus a critical theory account of justice takes into account the effect of social and political institutions and practices on the psychological and social aspects of the individual.

Secondly, Horkheimer provides a specific criticism which will guide me in my investigation of Smith's writings. He charges capitalism with diminishing the

human ability to determine our own ends. In other words, individuals loose, or never develop, the ability to make meaningful choices about what they value or the life they would want to live. What responses could Smith, often regarded as the father of capitalism, offer to this criticism?

In formulating a response to this criticism on behalf of Smith, I demonstrate that he was aware of this potential danger in his system of commerce, and that he made suggestions to ameliorate the harm done by the division of labour to the individual's reasoning capability. This is illustrated in his treatment of the labouring poor as a class, his recognition of the harm caused to their capability to judge by repetitive work, and his practical suggestions to ameliorate this harm.

To highlight Smith's originality, I compare his account of justice with that of his friend, David Hume. Hume views the origins of justice in a societal determination, based on utilitarian considerations of what is necessary for the survival and stability of society. While Smith recognises that justice has these benefits, he founds its origin in humans' natural passion of resentment at unjustified harm. Justice, in Smith's sense is natural. The significance of this, I have argued, it that Smith's version of justice would exist in any kind of society, including one not based on property ownership in the Lockean sense. While Smith does include considerations of utility when judging the value of a system or institution, it is not the origin of the system. I draw the conclusion that Smith's system of justice arises out of recognition of the value of the individual. Hume's arises out of a recognition of the value of society to the individual.

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ABBREVIATIONS

WN	Adam Smith, *An Inquiry into the Nature and Causes of the Wealth of Nations*, vols 1 and 2, ed by R.H Campbell and A.S. Skinner, The Glasgow Edition of the Works and Correspondence of Adam Smith (Oxford: Oxford University Press, 1976). Reprinted by the Liberty Fund, Indianapolis, 1981.
TMS	Adam Smith, *The Theory of Moral Sentiments*, ed by D.D Raphael and A.L. Macfie, The Glasgow Edition of the Works and Correspondence of Adam Smith (Oxford: Oxford University Press, 1976). Reprinted by the Liberty Fund, Indianapolis, 1982.
EPS	Adam Smith, *Essays on Philosophical Subjects*, ed by P.D. Wightman and J.C. Bryce, The Glasgow Edition of the Works and Correspondence of Adam Smith (Oxford: Oxford University Press, 1980). Reprinted by the Liberty Fund, Indianapolis, 1982.
LJ(A)	Adam Smith, *Lectures on Jurisprudence*, ed by R.L. Meek, D.D Raphael and P.G. Stein, The Glasgow Edition of the Works and Correspondence of Adam Smith (Oxford: Oxford University Press, 1978). Reprinted by the Liberty Fund, Indianapolis, 1982. [LJ(A) refers to the student reports dated 1762 – 1763.]
LJ(B)	Adam Smith, *Lectures on Jurisprudence*, ed by R.L. Meek, D.D Raphael and P.G. Stein, The Glasgow Edition of the Works and Correspondence of Adam Smith (Oxford: Oxford University Press, 1978). Reprinted by the Liberty Fund, Indianapolis, 1982. [LJ(B) refers to the student reports dated 1766.]
LRBL	Adam Smith, *Lectures on Rhetoric and Belles Lettres*, ed by J.C. Bryce, The Glasgow Edition of the Works and Correspondence of Adam Smith (Oxford: Oxford University Press, 1983). Reprinted by the Liberty Fund, Indianapolis, 1985.
Corr.	*Correspondence of Adam Smith*, ed by Ernest Campbell Mossner and Ian Simpson Ross, The Glasgow Edition of the Works and Correspondence of Adam Smith (Oxford: Oxford University Press, 1977, 1987). Reprinted by the Liberty Fund, Indianapolis, 1987
Treatise	David Hume, *A Treatise of Human Nature*, 2nd ed., analytical index by L.A. Selby-Bigge (Oxford: Clarendon Press, 1888, 1978)
EPM	David Hume, *An Enquiry Concerning the Principles of Morals*, ed J.B. Schneewind (Indianapolis: Hackett, 1983)

GENERAL INTRODUCTION

Introduction

This thesis sets out to examine the nature of justice in the writings of Adam Smith. I argue that Smith's conception of justice is broader than the commutative conception of justice. The commutative concept of justice is linked to a liberal account of the state. It limits justice to the state's duty to protect individual rights, most notably the protection of the individual from harm, her enjoyment of private property and the enforcement of contracts.[1] Smith explicitly endorses this conception of justice, claiming that its violation 'must utterly destroy' society.[2] Thus Smith is often read as a proponent of the liberal concept of justice.[3] I will argue, however, that implicit in Smith's writings is a broader concept of justice, one that broadens the realm of concern for government to the institutions or activities of society that could damage certain fundamental human capacities such as the capacity for moral judgment, or thwart innate psychological needs such as the desire to be approved or to be praiseworthy.

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[1] See Alan Ryan's discussion of the characteristics and different conceptions of liberalism in his essay 'Liberalism' in *A Companion to Contemporary Political Philosophy*, eds Robert E. Goodin and Philip Pettit (Oxford: Blackwell, 1995), pp. 291 – 311. Ryan places Smith under the heading of 'Classical Liberalism' along with Locke, Alex de Tocqueville and von Hayek. Jean Hampton in *Political Philosophy* distinguishes between Lockean and Rousseauian liberalism; the difference being in their respective differences over how freedom and equality are to be understood. On her description, I think Smith would fall into the Rousseauian category. See chapter 5 of her book which is in the Dimension of Philosophy Series (Oxford: Westview Press, 1997).

[2] TMS, II.ii.3, p.86. For his description of justice as commutative see TMS, VII.ii.1, p.269.

[3] Craig Smith emphatically rejects placing Smith in the Distributive Justice camp. See his article, 'Adam Smith: Left or Right?' *Political Studies*, 61 (2013), 784- 798. D.D. Raphael also hews to this view (see chapter 13 of *The Impartial Spectator,* (Oxford: Clarendon Press, 2007), as does, broadly speaking, Knud Haakenssen, *The Science of the Legislator,* (Cambridge: Cambridge University Press, 1981) where both believe Smith holds a natural law version of justice.

To provide guidelines as to what justice may encompass, and a method of reading Smith's texts, I have turned to the critical theory writings of the Frankfurt School, in particular those of Max Horkheimer.[4] His works provide a justification to read Smith's texts from a particular perspective (in this case, that of the labouring poor), and to see the interdependence between Smith's formal institutions of the state and his assumptions about our psychological and social nature. The critical theory conception of justice hinges on its conception of the individual as historical and deeply socialized. Thus a critical theory account of justice takes into account the effect of social and political institutions and practices on the psychological and social aspects of the individual.

Different Interpretations of Justice

Which conception of justice Smith espouses in his writings has been widely debated in the literature on his writings, and falls, I suggest, into three categories; those who argue that Smith supports a liberal or even libertarian understanding of justice; those who see his account as socialist or even a precursor of Marxist conceptions of justice; and those who discern a virtue ethical

[4] Horkheimer's views on important matters such as the causes of subjugation, the possibility of political change, the relation between fact and value and his approach to scepticism changed over the course of his life, becoming increasingly pessimistic, ending in what Zoltan Tar viewed as paralysis. (*The Frankfurt School: The Critical theories of Max Horkheimer and Theodor W. Adorno* (NJ, USA: Transaction Publishers, 2011). Originally published in 1977 by Wiley and Son, p. 120). See David Held, *Introduction to Critical Theory: Horkheimer to Habermas* (Oxford: Polity Press, 1980) and Martin Jay's *The Dialectical Imagina*tion (CA: University of California Press, 1996) for a more sympathetic interpretation. I will focus on Horkheimer's earlier writings between 1930 and 1947 to provide the assumptions and methodology for investigating the idea of justice in Smith's writings. This will include the various essays collected and translated by Matthew O'Connell in Horkheimer's *Critical Theory: Selected Essays* (New York: Continuum, 1972), as well as *The Eclipse of Reason* (London, New York: Continuum,[1947], 2004) and *Dialectic of Enlightenment* written with Theodore Adorno (London: Verso 1947, 1969, 1972, 1979, 1997).

account of justice that views Smith's description of justice as involving elements other than the economic as important to a description of the just society.[5]

The debate surrounding the nature of Smith's liberalism is wide and varied. George Stigler has argued for a libertarian interpretation, while D.D. Raphael and Knud Haakonssen read Smith as a natural law theorist. Donald Winch rejects these readings and argues that a better interpretation of Smiths' writings is to see them as part of a civic humanist tradition. More recently, Craig Smith and Fonna Forman-Barzali have returned to classical liberal principles in interpreting Smith's works.[6] These readings focus on the legal protections and political policies which afford protection to the liberty of the individual in Smith's writings. They are grounded in Smith's focus on the value of the individual in both his moral and economic writings.

Writers championing the second concept of justice focus on the sociable nature of the individual, Smith's clear sympathy for the poor worker, and his antipathy towards the rich and powerful. From this aspect of Smith's writings, these writers argue that a socialist conception of justice could be defended. At the

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[5] There has also been some discussion of the role of utilitarianism in Smith's idea of justice in the literature. I will look at this debate in chapter four, though ultimately I will argue that utility and justice are not conflated in Smith's view of justice. See David Levy's article 'The Partial Spectator and the Wealth of Nations: A Robust Utilitarianism', *European Journal of the History of Economic Thought*, 2 (1995), 299 – 602, and Witztum and Young, 'Utilitarianism and the Role of Utility in Adam Smith', *European Journal of the History of Economic Thought*, 20 (1013) 572 – 602.

[6] See Stigler's lecture 'The Adam Smith Lecture: The Effects of Government on Economic Efficiency', *Business Economics*, XXIII, (1988), 7 – 13. Raphael gives a clear summary of his views in 'Hume and Adam Smith on Justice and Utility', in *Proceedings of the Aristotelian Society*, 73 (1972 – 1972), 87 – 103, and Haakonssen argues his position in his book *The Science of the Legislator: The Natural Jurisprudence of David Hume and Adam Smith* (Cambridge: Cambridge University Press, 1981). Forman-Barzali accepts that Smith's individual is heavily socialized but ultimately falls back on the belief that a common sense of harm provides the basis for laws of justice. See her *Adam Smith and the Circles of Sympathy: Cosmopolitan and Moral Theory* (Cambridge: Cambridge University Press, 2010). Craig Smith argues against recent attempts to move Adam Smith to the left in 'Adam Smith: Left or Right?', *Political Studies*, 61 (2013), 784 – 798. Donald Winch's influential book *Adam Smith's Politics: An Essay in Historiographical Revision* (Cambridge: Cambridge University Press, 1978) would place him in my third category with his emphasis on civic humanism.

very least, they argue that Smith would favour some version of social justice. Fleischacker, Amartya Sen and Iain McLean argue that some version of social justice can be found in Adam Smith's writings. Indeed, Fleischacker believes Smith would not be against limited redistribution of economic resources.[7] Amos Witztum argues that Smith's concept of resentment can justify a broad government intervention, even if Smith had not envisaged that development of his concept himself.[8]

A third concept of justice has focused on the necessity of society to the formation of a morally developed individual. While this concept has implications for what would constitute a just economic arrangement, its main concern is with the social conditions necessary to form a good human character. Samuel Fleischacker discusses this in *Third Concept of Liberty*, arguing that Smith was influenced by Aristotle and recognized the importance of developing our character and learning to make judgements. The development of this ability requires a certain kind of society which provides role models and in which a young person can try out and make mistakes.[9] Ryan Hanley mines this aspect of character building and the development of virtues to argue that they provide Smith's response to the very weaknesses that he recognizes in the commercial system he

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[7] See Fleischacker's *On Adam Smith's 'Wealth of Nations': A Philosophical Companion* (Princeton: Princeton University Press, 2004), though in his earlier book (1999) he focuses on the importance of developing moral capacity in the individual. The two positions, however, are compatible in that supporting the necessary conditions for the development of the individual's character could conceivably require some distribution of economic wealth. See also Amartya Sen, *The Idea of Justice* (London: Allen Lane, 2009) and Iain McLean, *Adam Smith Radical and Egalitarian* (Edinburgh: Edinburgh University Press, 2006). See also Jerry Z. Muller's discussion in the same vein in *Adam Smith in His Time and Ours* (Princeton: Princeton University Press, 1993).

[8] See his essay 'Fairness and Justice in Smith's Economic System' in the London School of Economics Discussion Paper Series, 1996.

[9] Samuel Fleischacker, *A Third Concept of Liberty: Judgement and Freedom in Kant and Smith* (Princeton: Princeton University Press, 1999).

describes.[10] Weinstein also focuses on the importance of socialization and education for the proper development of individual rationality and thus the ability to make choices.[11] This approach to justice throws into relief the debate over whether Smith has a natural or historical understanding of human nature. Herzog investigates the question as to what extent Smith's account of justice is based on natural and universal characteristics of human nature or whether his account of the historical development of society and his insistence on economics for creating the conditions for equality leads to a historicist conception of justice.[12]

Of these three approaches, my investigation falls into the third category. I will examine Smith's recognition of the importance of developing the ability to reason well to an individual's life; an ability fundamental to being able to make moral judgements and to determining what it means 'better his condition.'[13] I will argue that Smith relies on certain conditions in society to produce individuals capable of being just and of forming rules of justice. To achieve these two goods; to be able to choose our end goals and to develop the laws of justice, Smith assumes the existence of certain social practices and institutions akin to a critical theory understanding of justice.

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[10] Ryan Hanley, *Adam Smith and the Character of Virtue* (Cambridge: Cambridge University Press, 2009).

[11] Though Weinstein views this approach to society as a more holistic liberalism than the modern Rawlsian Liberalism. See his book *Adam Smith's Pluralism: Rationality, Education and the moral Sentiments* (New Haven, CA: Yale University Press, 2013).

[12] Lisa Herzog, 'Adam Smith's Account of Justice: Between Naturalness and Historicity', *Journal of the History of Philosophy*, 52 (2014), 703 – 726. The significance of the interplay between individual and society for the development of the institution of justice is discussed in Spencer Pack and Eric Schliesser, 'Smith's Humean Criticism of Hume's Account of the Origin of Justice', *Journal of the History of Philosophy*, 44 (2006), 47 – 63.

[13] WN, Bk III, chp 3, p. 280.

Critical Theory Approach to Justice

Critical theory focuses the set of mediations that interconnect consciousness and society, culture and economy, state and citizen. It holds there is a dialectical relationship between the individual and society, a relationship that I argue is similar to Smith's conception of the relationship between individual and society. Critical theory involves reading theory against the praxis it describes. It is a political activity in the sense that such a reading can never be objective or neutral. By its nature, the reading must be done from the point of view of those marginalised in the text or theory, thus revealing the structures of power and the weaknesses in the system.[14] This then provides a new perspective which allows a rewriting of the theory or system to better capture this experience of the interconnections and to better guide the activities of its participants to meet the requirements of justice.

This thesis will rely on Horkheimer's texts and criticisms of capitalism to provide the assumptions about justice and a method of reading a text to examine Smith's writings. Horkheimer's essays and books describe justice as the removal of the conditions that thwart the development of substantive reason. This is the type of reason that allows the individual to choose their own ends or goals in life. Horkheimer's main concern is that capitalism, and its bureaucratic and cultural expressions have become so monolithic so as to stunt the individual's capability for substantive reasoning, as well as leaving the individual feeling trapped in the system they sustain by their very actions.[15] Using these two criticisms to guide my reading of Smith, I argue that he envisaged these potential problems and offered

[14] See Held, chp. 6 in *Introduction to Critical Theory* (Cambridge: Polity Press, 1980).
[15] See particularly his book *Eclipse of Reason* (London, New York: Continuum, 2004).

possibilities for combating them. Given Smith's own description of human psychology and the development of our capabilities, (especially the ability to judge, imagine, communicate or be interested in others), he is bound to assume the proper conditions for the development of these capabilities exist. Where these conditions are thwarted by certain institutions and practices of society, particularly where this harm occurs to a specific group, then an injustice occurs. Thus, though Smith avows a commutative version of justice as necessary to the existence of society, the implication of his own description of human nature is that a broader concept of justice is equally necessary, one that takes account of education, religion, and public standards of approval as important concerns of the state. Without the development of individuals capable of justice and of forming the rules of justice, the very social and economic institutions Smith describes will not get off the ground. At the very least, other institutions, such as the economic, must not inhibit or damage our social or rational capabilities nor the conditions which develop these capabilities. This is the thesis I will be defending in this doctoral dissertation.

A Historical Conversation

Smith's debates on the nature of the relationship between the individual and society, the psychological factors that constitute the mainspring of human activity, and the sources of our moral capacity were part of an ongoing conversation of his day. Responding to challenges set by Hobbes, Mandeville and Rousseau, and adopting the insights of Hutcheson, Hume and Butler, Smith's texts carry on a

conversation about human nature and society.[16] Of his interlocutors, Hume was by far the most influential. Both the *Theory of Moral Sentiments* and the *Wealth of Nations* are responses to problems set by Hume and developments of particular aspects of Hume's thought.[17] Throughout this thesis, I will compare the writings of both men. Ultimately, I argue that Smith's accounts of the relationship between the individual and society, of morality in general and of justice in particular are more detailed, and a more convincing description of how society impacts upon human nature and vice versa. While Hume acknowledges the influence of society upon human capacities and values, Smith spends considerable energy explaining how this relationship works and how it results in the societal standards of morality and in the laws of justice. In particular I use the differences between Smith and Hume's versions of sympathy and justice to highlight how Smith's versions allow for greater autonomy in moral judgement, and a form of justice that has a greater possibility of responding to societal inequality. It is not that Smith departs from Hume's principles or insights into human understanding. Rather Smith uses them to explore the phenomenology of the development of the individual in society. In applying Hume's concepts, Smith arrives at a different view of human nature and society.

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[16] See Dennis C. Rasmussen's *The Problems and Promise of Commercial Society: Adam Smith's Response to Rousseau* (PA: Pennsylvania State University Press, 2008) or Spencer J. Pack's 'The Rousseau-Smith Connection: Towards Understanding Professor West's "Splenetic Smith"', *History of Economic Ideas*, VIII (2000), pp. 35 - 62 for some interesting discussions of Rousseau's influence on Smith.

[17] Nicholas Phillipson argues through his biography that Hume was the main target of each of Smith's publications. See especially chapter 3 of his *Adam Smith: An Enlightened Life* (London: Penguin, 2010).

Primary Texts

In this thesis, I will rely mainly on the published works of Adam Smith. These include the *Theory of Moral Sentiments*, *An Enquiry into the Causes and Wealth of Nations*, his essay on the origin of Languages (attached to the second edition of TMS) as well as his early essays which he agreed could be published after his death by his executors William Black and James Hutton. The reason for this approach is because Smith was particular about what he would publish. He was a careful composer, labouriously reworking and correcting his work throughout his life. At the end of his life, he famously insisted on having his remaining writings burned, save for a few essays he thought good enough to publish. Publication of his works opened them to the scrutiny of an educated and interested public. Smith engaged with those who had comments, objections or observations as evinced by his correspondence. It appears he wanted to publish only that which he could publically defend. While I occasionally refer to Smith's unpublished lecture notes, I will only do so where they confirm a point already made by Smith in his published works. I will also refer to Smith's correspondence where useful, for although he never envisaged this being published (indeed he strongly objected to the proposed publication of Hume's correspondence),[18] his letters are a different kind of document to his lectures, and are written not to propound theory, but to address practicalities of publishing, family or personal friendships or to respond to certain observations made by correspondents regarding his moral or economic theory.

[18] See Smith's letter 181 in *Correspondence*, dated 2nd December 1776.

With regard to the writings of Hume, I shall be concerned mainly with his T*reatise of Human Nature* which elaborates more fully the concepts of sympathy, reason and justice than his *Essay Concerning Human Understanding*, though I shall refer to the latter and some of his political essays where relevant. These writings deal in detail with his moral and political theories which I will be comparing to Smith's writings.

My Approach

Critical theory recognizes that substantive reasoning is a reflexive process. This understanding is different to the positivist conception of reasoning. It stems in part from the critical theorists historical conception of human nature.[19] Horkheimer describes the investigation of the structures of reality as a continuous process of reflecting on our conclusions in light of our experiences over time.[20] It requires the investigator to be aware of her own position and interests. For this reason, I feel it appropriate to summarize how I came to choose a study of Adam Smith as a thesis topic. My interest in Adam Smith's writings stems from my experiences of working in Africa for a number of years. Upon return to Europe, I found the Fairtrade movement and Bono championing capitalism in various forms as a route to improving the situation of the poor in the Third World.[21] I wondered

[19] See Gebhardt's explanation of the critical theorists' methodology in *The Essential Frankfurt Reader*, ed by Arato and Gebhardt (New York: Continuum, 1987), pp. 371 – 406.
[20] See his essay 'On the Problem of Truth' in Arato and Gebhardt.
[21] Fairtrade is a movement that aims to give farmers and producers in developing countries a fair return on their crops to enable them to live better lives. Fairtrade Ireland claims 'Fairtrade offers us a powerful way to reduce poverty through our everyday shopping.' See their explanation at http://www.fairtrade.ie/what-is-fairtrade/. Bono championed American Express Red, a credit card where 1% of cost of purchases made with it is donated to the Global Fund to fight HIV/AIDS in Africa. The company's slogan is 'MAKE EVERY PURCHASE INC(RED)IBLE'. See http://www.americanexpress.com/pes/uk/benefits/red/newmicrosite/benefits.html.

whether these versions of capitalism could improve the situation of the tobacco farmers of Malawi or whether there was something endemic to the principles of capitalism that would preclude it from improving the position of those at the bottom of the economic order. In between stints in Africa, I came across the writings of Adam Smith while studying philosophy at a department of libertarian leanings. Upon reading Smith's *Theory of Moral Sentiments* and *Wealth of Nations,* however, I felt that such a reading of his texts would not do. It seemed to violate both the spirit of what Smith said, and to run counter to a historically situated reading of his texts. It seemed to me that Smith's pronouncements in both TMS and WN were sympathetic to the working poor. Given my experience of working in developing countries where the relationship between individual and community was differently conceived and meant something different for economic activity than traditional Libertarian interpretations, what, I wondered, would it do to read Smith's texts from this point of view? How could I go about this reading in a systematic fashion? It was later in my teaching career that I came across the writings of the Frankfurt School, particularly those of Horkheimer and Adorno, who provided a methodology congenial to my proposed project.

Overview of thesis and summary of chapters

In 1776 Adam Smith published *An Inquiry into the Nature and Causes of the Wealth of Nations* in which he describes a 'system of commerce' which he believes to be the most effective in increasing the opulence of the nation. This system has since become denominated 'Capitalism' and his book is taken as the original primer for principles and practices for this economic system.[22] The main

[22] There were earlier writings on the subject, notably *Inquiry into the Principles of Political Oeconomy* by Sir James Steuart published in 1767, and the writings of the French physiocrats such

processes of capitalism were well under way when Smith set out to describe its principles. Its various principles and practices had been criticised by the church, despised as a means of earning one's living by the aristocracy, and with the development of the Industrial Revolution, attracted the lamentations of the Romantics and the ire of the luddites.[23] These critics focused on one or several aspects of capitalism, but with the publication of *Das Kapital* in 1867, the capitalist system of commerce faced its most systematic and global form of criticism.

In 1923 the Institute of Social Research was founded in Frankfurt. Its members were deeply influenced by Marxism. They broadened the scope of their inquiry into capitalism, focusing their scrutiny on the infiltration of capitalist ideology into the social and psychological framework of the community and individual. The members of the Institute analysed the structures and institutions of life (art, media, music, family, architecture) to show that they combined to form the subject of capitalism who could not imagine that one could live or survive outside the parameters of a capitalist world. Horkheimer (the Institute's second and most influential director) labeled their method of enquiry 'Critical Theory'. It was an approach that combined insights from Kant, Hegel, Marx, Freud and the then developing field of sociology. The Frankfurt School argued consistently that

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as Francois Quesnay, the Marquis de Mirabeau and du Pont de Nemours amongst others, but none have had the breadth and influence of the *Wealth of Nations*.

[23] For an overview of the reception of capitalism and the various criticisms it attracted see Stephen Holmes, 'The Secret History of Self-Interest', in *Beyond Self-Interest*, ed. by Jane Mansbridge, (Chicago: The University of Chicago Press, 1990) or Paul Langford, *A Polite and Commercial People: England, 1722 – 1783* (Oxford: Oxford University Press, 1992). Another good overview of the early views of and arguments for capitalism is Albert O. Hirschman's, *The Passions and the Interests: Political Arguments for Capitalism Before its Triumph* (Princeton: Princeton University Press, 1977, 1997).

the system of capitalism in fact reduced the freedom of its subjects by stunting the individual's capacity for substantive rationality and leaving her feeling trapped by the very system she perpetuates by her activities. These two criticisms provide the framework to my investigation of justice in the writings of Adam Smith. I argue that Smith was aware of these potential weaknesses with his system of commerce, particularly for the laboring poor, and advocated government intervention and robust social institutions to combat these dangers.

I provide a brief summary of the chapters of this thesis below.

Chapter one will describe the kind of justice I am examining Smith's writings for. This is based on a critical theory view of justice. In particular, I will examine Horkheimer's criticisms of capitalism, specifically his emphasis on substantive reason as the human capacity necessary for value judgment. I then argue that Horkheimer shares a similar understanding of the relationship between the individual and society with Smith, as well as a similar approach to the discovery of truth. Based on these commonalities, I conclude it is reasonable to examine Smith's texts using critical theory, and furthermore, that Smith would have understood Horkheimer's criticisms of capitalism.

Chapter two will examine Smith's concept of human nature. I will argue that although Smith holds that humans have natural capacities, instincts and passions, he ascribes the development and expression of these qualities to socialization. I will examine Smith's contention that humans are sociable and that their faculties and capabilities develop through socialisation. In particular, this chapter will compare Smith and Hume's notion of sympathy, and its role in socialization and moral capability. I will argue that Smith assumes a wider role for

imagination in the process of sympathy than Hume. This means Smith's view of sympathy potentially allows us to understand a broader section of humanity than Hume's version.

Chapter three will look at the role of society in the development of judgement and the formation of moral rules in Smith's writing. In particular, I will examine Smith's notion of the impartial spectator which is the source of individual moral judgement, and discuss how it develops out of the interaction between our natural faculties and our immediate society. I will discuss the problem of how an individual, socialized in a particular society, might be capable of returning a judgement different to that of her society. I will compare this to Hume's division of virtues into natural and artificial, and the role of society in forming a sense of duty in the individual. I will argue that Smith's phenomenological description of the interaction between individual and society, and his description of the developmental nature of judgement is more detailed, and provides an explanation for the possibility of independent judgement for the individual from societal norms, unlike Hume's description.

Chapter four looks at the notion of justice in Smith's writings. It examines Smith's explicit description of justice as commutative, and discusses his account of how the rules of justice are developed over time. It argues that the rules of justice develop out of a dialectical relationship between the individual and society. Drawing on chapter three's description of the formation of moral judgment, I argue that Smith has to assume certain social conditions obtain in order for the individual to develop the capability to be just. I will compare Smith's description of the origin and development of justice with that of Hume, arguing that Smith provides a broader description of what counts as justice. This is important since

different descriptions of justice affect different groups differently. Hume's limited description of justice favours groups which own property. Smith's account of justice also provides a response to the first of Horkheimer's criticism of capitalism; that capitalism stunts or hinders the development of substantive reason. To be capable of justice, an individual must be capable of judgment, and thus the state must, at the very least, ensure that this capability is not damaged. Taking Smith's account of the impartial spectator process, we can argue that the spectator would feel resentment where the conditions necessary for the development of judgment were systematically damaged or diminished, thus indicating that this situation would be unjust. I argue therefore, that although Smith designates justice as commutative, he would have to concede that justice encompasses more than protection of person, property and contract.

Chapter five will examine what Smith says about the labouring poor in his texts. As befits a critical theory reading, this chapter looks at those who benefit least from Smith's system of commerce, and then applies this understanding to the economic system he describes. I argue that Smith himself developed his economic theory with the working labourer of his day in mind. He justifies his economic system on the basis of not merely the wealth it generates, but that this wealth spreads to all classes. Smith recognises that his system of commerce has weaknesses, and he describes them in relation to the worker. He is concerned that the worker should not become 'mutilated' in her personhood by the operations of this new system, and is concerned where the new living conditions generated by the expansion of commerce throughout the century leads the former country labourer to live a life 'sunk in obscurity and darkness.'[24] I shall argue that Smith's

[24] WN, V.i.f, p. 787, and WN, V.i.g, p. 795.

analysis of the situation of the poor labourer provides an illustration of his concerns and hopes for his system and that he has the resources to respond to Horkheimer's criticisms; reason need not become diminished, the individual need not be overwhelmed by the economic system she participates in. Where necessary, government must intervene to remedy the shortcoming of this new commercial system or to prevent damage from occurring.

This thesis sets out to examine the notion of justice in Smith's writings. I argue that for both pragmatic as well as moral reasons, Smith has to assume that justice is broader than the merely commutative. He perceived some of the potential problems with his system of commerce as described later by Horkheimer, but believed these could be ameliorated or defused by other institutions in society; education, entertainment, or an interested community. It is in these spaces that the individual develops autonomous moral judgment which allows her to choose her own life and values.

CHAPTER 1: Framing the Question of Justice

1.0 Introduction

There are many different ways to understand the concept of justice. In this chapter, I will set out which version of justice I take to be implicit in Smith's texts. I use Horkheimer's criticisms of capitalism as a guide to the elements of society that fall within the considerations of justice, and what a just state must ensure. In addition, I will be using Horkheimer's method of immanent critique to read Smith's texts and to support my argument that Smith had a broad understanding of what constitutes justice.

It is important to stress that, although there are common themes in the writings of Smith and Horkheimer, this thesis is by no means a comparative study of these two philosophers.[25] Through a critical theory investigation into Smith's account of the relationship between human nature and social institutions, I argue that Smith implicitly assumes that justice is broader than his explicit description of justice as commutative.

It could be argued that such an investigation of justice in the writings of Adam Smith is possible without reference to critical theory or the writings of

[25] There is little literature comparing Smith's philosophy with that of the critical theorists. Kenneth Tribe's article 'Adam Smith: Critical Theorist?' (*Journal of Economic Literature*, 37 (1999), pp. 609 – 632) turns out to be a summary of contemporary readings of Smith which demonstrates no clear understanding of what critical theory is. Richard Gunn in 2011 noted similarities between the critical theorists and Adam Smith, although in his article he focuses on a much later member of the Frankfurt School – Jurgen Habermas. See 'Adam Smith and Friends' at <http://uyma.com/download.php?id=29635pdf. [Accessed 16/5/2014]. Other scholars have used various critical theorists to investigate Smith's writings. See, Jack Russell Weinstein's *Adam Smith's Pluralism: Rationality, Education and the Moral Sentiments* (New Have: Yale University Press, 2013) in which he used a critical theory method of interrogating Smith's work, though he refers to the later theorist Foucault. Fonna Forman-Barzilai also uses Foucault to analyse the significance of socialisation in Smith's work. See her *Adam Smith and the Circles of Sympathy* (Cambridge: Cambridge University Press, 2010).

Horkheimer. This is certainly true. Why use the Frankfurt school's approach in this dissertation? The early Frankfurt School and Horkheimer were stringent critics of capitalism.[26] They offer a very particular lens by which to investigate phenomena, one which takes seriously the inter-relatedness of individual and society, thought and institution, class and politics. Furthermore, their approach recognises that an investigation is always carried out from a particular perspective in a particular time; recommending that the perspective taken be that of a subordinate group within a system.[27] The Frankfurt school's view of human nature as deeply socialised requires that justice not only incorporate the formal structures of the state, (law, legislative process, political institutions, judicial and enforcement agencies) but that it includes an analysis of the effect of other social and cultural practices (economic systems, social position, organised religion, family) upon the individual.[28] Thus their notion of what is properly to be considered in an account of justice is broader than what is considered in the liberal account. This approach, its aims and the broad parameters of what ought to be examined frame the question of justice I wish to investigate in Smith's writings. Given that my project is an examination of the writings of the founder theorist of capitalism, it seem appropriate to inquire what such an investigation can yield in response to Horkheimer's main concerns.

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[26] The Institute for Social Research was founded in 1923 within Frankfurt University. Max Horkheimer became its second, and most influential, director in 1930. Its prominent members wrote on similar political and social concerns and came to be known as the Frankfurt School; in addition to Horkheimer, they included Theodore W. Adorno, Eric Fromm, Herbert Marcuse, and Walter Benjamin. This circle was fluid, with members moving in and out of the School with other associate members often being included in the group.

[27] See Held's discussion of Horkheimer's methodology in *Introduction to Critical Theory: Horkheimer to Habermas* (Oxford: Polity Press, 1980), chp. 6.

[28] See for example Horkheimer's analysis of the relation between family and the capitalist society in his 1936 essay 'Authority and the Family' (found in O'Connor's 1972 collection) or his analysis of the role of the culture industry in *Dialectic of Enlightenment*.

Horkheimer's writings provide both the assumptions of what may constitute justice, as well as a method by which I will read Smith's work. I have chosen Horkheimer's approach for a number of reasons. First, he takes justice to encompass a much broader framework than that of the liberal tradition which ties justice to law, political institutions and the protection of individual rights, and of which Smith is often claimed to be a proponent. Given the critical theorists' historicist understanding of the individual and the importance of social factors in the formation of human nature, their account of justice requires an examination of the social and psychological factors which impinge on the individual. Adopting this approach, my analysis of justice in Smith's work will encompass not only his discussion of legal, commercial and political institutions, but will include an investigation of his account of the conditions of human socialisation, what we require to meet our common psychological needs, and how we develop the capacities that are fundamental to our ability to choose a good life. The critical theory approach will help me show the significance of the dialectical relationship between human nature and the institutions of society.

Second, Horkheimer provides the specific consideration which will guide me in my investigation of Smith's writings. He charges capitalism with diminishing the human ability to determine our own ends. In other words, individuals loose, or never develop, the ability to make meaningful choices about what they value or the life they would want to live. This is an ability he takes as fundamental to living a human life.[29] Horkheimer argues that capitalism causes this diminishment in two distinctive ways; it impoverishes the individual's rational capacity through the development of instrumental reasoning as opposed to

[29] See chapter one in *Eclipse of Reason*.

substantive reasoning, and secondly, capitalism leaves the individual feeling powerless in a system she helps to perpetuate through her own participation.[30] My investigation of justice will be framed around these two criticisms, for a society that systematically thwarts our capacity to be moral must be regarded as unjust, as Smith himself implies.[31] Given that Smith published a book on moral sentiments as well as the original primer on what we now regard as capitalism, it is reasonable to investigate whether he ever considered what impact this economic system might have upon our moral capacity, and whether he has any resources in his writings to respond to the critical theorists' criticisms.

Third, the critical theorists offer a method of investigating Smith's texts, a dialectical method. In using this approach, Horkheimer highlights the breach between ideas and reality, and uncovers how the idea offered serves particular interests. It is a form of immanent critique that examines the assumptions of theories against the reality the theory purports to describe in order to highlight the

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[30] See chapter 6 in Held, as above, p. 184.

[31] See his discussion on the inequity to the character by damage done to the rational capacity of the labouring class in WN, Bk V.1.ii, 'Of the expence of education': 'But a coward, a man incapable either of defending or of revenging himself, evidently wants one of the most essential parts of the character of a man. He is as much mutilated and deformed in his mind as another is in his body, who is either deprived of some of its most essential members, or has lost the use of them. He is evidently the more wretched and miserable of the two; because happiness and misery, which reside altogether in the mind, must necessarily depend more upon the healthful or unhealthful, the mutilated or entire state of the mind, than upon that of the body. Even though the martial spirit of the people were of no use towards the defence of the society, yet, to prevent that sort of mental mutilation, deformity, and wretchedness, which cowardice necessarily involves in it, from spreading themselves through the great body of the people, would still deserve the most serious attention of government; in the same manner as it would deserve its most serious attention to prevent a leprosy, or any other loathsome and offensive disease, though neither mortal nor dangerous, from spreading itself among them; though, perhaps, no other public good might result from such attention, besides the prevention of so great a public evil. The same thing may be said of the gross ignorance and stupidity which, in a civilized society, seem so frequently to benumb the understandings of all the inferior ranks of people. A man without the proper use of the intellectual faculties of a man, is, if possible, more contemptible than even a coward, and seems to be mutilated and deformed in a still more essential part of the character of human nature. Though the state was to derive no advantage from the instruction of the inferior ranks of people, it would still deserve its attention that they should not be altogether uninstructed.' I will argue for this claim in Chapter Four when I analyse Smith's concern regarding the damage done to workers' ability to judge by virtue of the nature of their work.

partial nature of the theory and puncture its claims to completeness. This negative dialectic points to the limits of the theory or social order it describes, thus allowing alternative interpretations or accounts to be proffered. I will adopt this approach in reading Smith's texts. This allows me to place Smith's description of human nature against his description of justice in the political state and to argue that, despite his own description of justice as commutative, he in fact assumes that justice and the remit of the state cover more than person, property and contract enforcement. That the critical theorists did not offer a particular description of the ends of society does not prevent us from using their method in reading Smith's texts.[32] By its nature, critical theory cannot offer any universal or over-arching plan of the good, but it does hold that groups and individuals in each era can offer competing assessments of the value of their social arrangements and institutions with the aim of revealing and challenging the limitations to their freedoms.[33] Thus, I will examine the implications of Smith's account of justice for the working poor, and, in turn, what Smith's discussions of the working poor imply about his ideas of justice.

Section 1.1 of this chapter will give an account of Horkheimer's ideas of human nature and its relation to society, the proper relationship between the two, and his method of investigating social phenomena and ideas. It will

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[32] Horkheimer puts it bluntly. 'In regard to the essential kind of change at which critical theory aims, there can be no corresponding concrete perception of it until it actually comes about. If the proof of the pudding is in the eating, the eating here is still in the future. 'Traditional and Critical Theory', [1937], p. 220 – 221.

[33] See Horkheimer's essay 'On the problem of Truth' [1932] translated by Arato, and Gebhardt *in The Essential Frankfurt Reader* (New York: Continuum, 1968).Lisa Herzog approaches this problem from a non-critical theory perspective in her article 'Adam Smith's account of Justice Between Naturalness and Historicity', *Journal of the History of Philosophy*, 52 (2014), pp. 703 – 726, (724). In her discussion of what she argues is the failure of Smith to provide an account of justice based on some ahistorical features of human nature, she claims; 'Acknowledging [the historicist challenge] does not force one to forgo social criticism – there are certainly many bad planks in our Neurathian ship, and we can recognise them as such, but it means they cannot be replaced all at once, from some external standpoint'.

examine his criticism of capitalism, and the distinction between instrumental and substantive reason. This will provide the basis for the version of justice that I argue is implicit in Smith's texts. In section 1.2, I will examine Smith's writings to argue that an investigation of his view of justice from such a perspective is not anachronistic; in fact Smith would recognise many of the elements of such an approach in analysing social phenomena. These common elements are firstly, a dialectical relation between the individual and society, and secondly, a common concern about the human ability to make substantive judgements about what is of value in life. I will discuss Smith's views on these matters in chapters two and three of this thesis. Thirdly, there are several similarities between Horkheimer and Smith's approach to knowledge. I conclude that Smith's approach to knowledge highlights his view of the influence of society upon the individual.

1.1 Horkheimer's Criticism of Capitalism

Adam Smith's most universally known book, *An Inquiry into the Nature and Causes of the Wealth of Nations*, was first published in 1776.[34] It described and laid out the principles of a system of commerce today known as Capitalism. This economic system has garnered much criticism in the intervening years, and this chapter will examine those of the Frankfurt School, particularly as expressed in the early writings of Max Horkheimer. Though published a good century and half after the first appearance of WN, these writings pick up on several themes explored by Smith in his published writings: the relationship between individual and society, the effects of socialisation and of particular kinds of work upon the

[34] Adam Smith, *An Inquiry into the Nature and Causes of the Wealth of Nations*, The Glasgow Edition of the Works and Correspondence of Adam Smith (Indianapolis: Liberty Fund, 1982). Hereafter referred to as WN.

psychology and mental capabilities of individuals, and the process of gaining knowledge. The next section will discuss the content and methodological approach of Horkheimer's writings which are interconnected. An understanding of the method and principles of critical theory are necessary in order to appreciate the two major criticisms Horkheimer levels at capitalism; (i) that it develops instrumental as opposed to substantive rationality and, connected to this, (ii) that it leaves the individual with a sense of powerlessness over a system they maintain by their own participation. These criticisms, made in the 1930s and 40s, long after *Wealth of Nations* had been published, referred to the developed and entrenched system of Capitalism of that era. Could Smith have anticipated these outcomes of his system of commerce? What might he have said in response? The rest of this thesis will endeavour to respond to these criticisms, arguing that Smith had touched upon similar concerns, and that out of his discussion in *Theory of Moral Sentiments* and *Wealth of Nations*, we can find in his writings the resources to combat these potential dangers. [35]

This chapter will also discuss Adam Smith's approach to philosophy and his discussions of methods and knowledge. I will argue that Smith's social account of knowledge, his description of the relationship between individual and society, and his concerns regarding the damage done to judgement by the changing work practices in his system of commerce are similar to Horkhemier's. This would allow Smith to understand and, I argue, to respond to Horkheimer's criticism of capitalism. In fact, Smith's polymath approach to philosophy seems to match Horkheimer's requirement that philosophy take an interdisciplinary approach in

[35] Adam Smith, *Theory of Moral Sentiments*, ed by D.D. Raphael and A.L. Macfie (Oxford: Oxford University Press, 1976). Reprinted by the Liberty Fund, Indianapolis in 1981. Hereafter abbreviated to TMS.

order to say something significant about the world. Thus Smith's approach to social, economic and political issues is not so foreign to that of the critical theorists.

1.1.1 Critical Theory

Critical Theory was the term devised by the Frankfurt School to describe their approach to philosophy. It was a form of social philosophy aiming to 'describe the complete set of mediations that interconnect consciousness and society, culture and economy, state and citizen.'[36] Critical theory has its foundation in Hegel's dialectic, Marxist materialism and Freudian psychoanalysis.[37] All three strands presuppose a structure below appearances that explains the appearances. What critical theorists want to do is explore the relationship between the individual and society. Using the tools and insights gained and refined from these three disciplines, the various members of the Frankfurt School sought to explore the relationship between individual formation and various social, political, cultural, artistic institutions and events. By virtue of its aims, critical theory had to be interdisciplinary. Its various members were experts in the fields of history, architecture, psychology, philosophy, musicology, and literature.

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[36] Douglas Kellner, 'The Frankfurt School Revisited: A Critique of Martin Jay's *The Dialectical Imagination*' in *New German Critique*, No. 4, (1975), pp 131 – 152.

[37] Both Hegel and Marx are known to have read Smith. For examinations of Smith's influence on Hegel see Henderson and Davis, 'Adam Smith's Influence on Hegel's Philosophical Writings', *Journal of the History of Economic Thought*, 13 (1991) 184 – 204, or Lisa Herzog's book *Inventing the Market: Smith, Hegel, and Political Theory* (Oxford: Oxford University Pres, 2013). For discussion of Smith's influence on Marx see chapter 8 of Spencer J. Pack's book *Aristotle, Adam Smith and Karl Marx* (Cheltenham: Edward Elgar, 2010). For an earlier summary of this influence see Ronald L. Meek's essay 'Smith and Marx' in his *Smith, Marx and After: Ten Essays in the Development of Economic Thought* (London: Chapman & Hall, 1977). I could find no evidence that Freud had read Smith but in 'Defences and Morality: Adam Smith, Sigmund Freud and Contemporary Psychoanalysis' (*Psychoanalytic Review* 101 (2014), 735 – 765) Paul Gabrinetti and Sule Ozler trace a line of development from Smith's Impartial Spectator to Freud's superego.

It was not merely a matter of applying philosophy to these practical areas. Rather, there had to be a new way of doing philosophy that changed itself and the world at the same time. The members of the Frankfurt School had a deep suspicion of traditional means of doing philosophy on the one hand, and of the overweening influence of the scientific or positivist method on the other. They took seriously Marx's dictum that the aim of philosophy must be to change the world.[38] The problem with the transcendental or idealistic philosophy that claimed a God's eye view from the platform of rationality was that there was no such position. The most influential practitioner of this method, Kant, held the position that the phenomenal world was provisional and the noumenal unknowable but the conditions of knowing were taken to be transcendent and universal. This position, Horkheimer argues, is simply taken on blind faith.[39] In his essay 'Traditional and Critical Theory', Horkheimer returns to this criticism, charging that Kant could not see that the factual is mediated through the activity of society as a whole. Reality is a product of society's work, which taken as a whole is chaotic but at the individual level is purposeful. Kant had to rely on a transcendental knower to explain why we all see reality in a reasonably uniform way. He could not see a socially created framework as determining our experience of reality. For Horkheimer, the perceived fact is co-determined by human ideas and concepts, even before its conscious theoretical elaboration by the knowing individual.[40] This illustrates a dominant characteristic of the Frankfurt School – the role of society in

[38] Karl Marx, *Theses on Feurbach*, www.marxists.org/archive/marx/works/1845/theses [accessed 20/2/2015] (11th thesis).
[39] See his essay 'On Truth' in *The Essential Frankfurt School Reader*, edited by Andrew Arato and Eike Gebhardt (New York, Continuum, 1982
[40] This essay was first published in 1940 in German in 1937. The English version was published in *Critical Theory: Selected Essays*, trans. by Matthew J. O'Connell (New York & London: Continuum, 1995), pp. 200 – 204.

the determination of knowledge. For the critical theorists of this school, Kant's account of knowledge contributes to the Enlightenment understanding of the individual as rational and autonomous, and to the illusion that truth is discovered by the individual, independent of the contribution of society. Thus what is held to be reality is not open to modification or change and becomes the parameters within which any individual believes she must work and envision the world. It becomes a barrier to the individual who finds herself trapped in a particular way of living with no sense of control over the conditions in which she must make her living. Despite their criticisms of Kant's philosophy, it had a formative influence on the Frankfurt School members. While criticising his assumptions about reason, they nevertheless took Kant's focus on the conditions of knowing as the starting point for their own socially focused philosophy.

Horkheimer's early essays are very influenced by Marx's work. Thus his understanding of 'truth' and 'knowledge' are tied to social and political concerns. The core concern of Horkheimer in this period (roughly 1930 – 1947) was a critique of ideology. Ideology is what prevents people from knowing their own interests. To free themselves of repression, agents must rid themselves of ideological illusion. To disclose ideology, Horkheimer relies on a dialectical methodology similar to Hegel's investigations of history. Unlike Hegel, however, Horkheimer does not believe history tends to a definite end, or that it is necessarily progressive. The development of society and history 'depends upon the productive and reproductive practices of historically acting subjects.'[41] Furthermore, Horkheimer does not believe the human mind can know a historical

[41] David Held, *Introduction to Critical Theory: Horkheimer to Habermas* (Cambridge: polity Press, 1980),p. 178.

end goal. Human knowledge is always partial. There is no known or knowable overarching whole of which it is a part. This suggests that there are no standards for judging what is true, which brings us to the problem of relativism in Horkheimer's epistemology.

Horkheimer's position rules out the possibility that we can attain an absolute conception of truth. Does this mean that his method must give up any claim to objective or impartial truth? Horkheimer denies that truth is merely subjective.[42] Part of the difficulty is philosophers' tendency to see truth in a binary framework as either subjective or objective. In the essay 'On the Problem of Truth' he denies that the only way to understand the status of truth or knowledge is as subjective or objective. There are 'moments of truth' which provide the basis for the next truth. This is an intersubjective truth that happens within a historical moment which provides a sort of objectiveness. 'Critical standards that are relative to historical contexts can nevertheless be objective – in fact, for Horkheimer, this "internal objectivity" is the only sort of objectivity there is.'[43] Horkheimer never gives a complete description of what counts as 'truth' in these historically situated intersubjective occasions. He does, however, highlight some characteristics it would display: (i) a critique of ideology, (ii) pursued through methodological research in an interdisciplinary context, (iii) with an emphasis on the central role of praxis in the ultimate verification of theories.[44] These provide some guidance as to how certain positions or values can be denominated 'true' within a certain

[42] See his discussion in 'On the Problem of Truth', 413 – 415.
[43] Fred Rush, 'Conceptual Foundations of Early Critical theory' in *Cambridge Companion to Critical Theory*, ed by Fred Rush (Cambridge: Cambridge University Press, 2004), p. 26.
[44] Held, p. 186.

historical and cultural timeframe. This description of knowledge acknowledges the historical and social aspects of what we can know.

Horkheimer's focus on social reality, however, does not preclude an interest in the physical world. In fact, the relationship between the physical and social world is important to his dialectical method of inquiry. He holds there is an 'irreducible tension between object and thought', even though all objects are perceived in a theory laden manner.[45] Horkheimer has no desire to collapse subject and object into one. On the contrary, the tension between the two is what allows for a conversation between the object and theory which represents it. Thus Horkheimer rejects the grand, universalising, objective theories of traditional philosophy, but at the same time, he also has concerns about the direction of contemporary philosophy in his day.

While Horkheimer took Kant as the most influential modern proponent of the traditional practice of philosophy, he was equally if not more concerned with the rise of positivistic philosophy as practised by the members and sympathisers of the Vienna Circle.[46] Positivism took scientific method as its model and raised this approach to the status of guarantor of Truth. While it claimed to have eluded the bogymen of religion and superstition and demanded that all forms of knowledge question themselves, it did not question itself. Horkheimer and Adorno charged that it had become the end point of Enlightenment. It led to a dead end in human thinking, and the enslavement of the masses to the capitalist system. 'Ruthlessly,

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[45] Held, 181.

[46] This group of philosophers and philosophically minded scientists met once a week between 1924 and 1936 under the direction of Moritz Schlick. It eschewed metaphysics and claimed that truth is gained only through the scientific method. They believed this method could be applied to the social phenomena. See the article by Thomas Uebel in the *Stanford Encyclopedia of Philosophy*, http://plato.stanford.edu/entries/vienna-circle/.

despite itself, the Enlightenment has extinguished any trace of its own self-consciousness. The only kind of thinking that is sufficiently hard to shatter myths is ultimately self-destructive.'[47] Positivistic thinking, by its own methodology, had to exclude values and beliefs from its pursuit of the truth. The savant thinks facts are external to him, but the critical theorist holds that facts emerge from the work of society and are not extrinsic.[48] Positivists could not see that the truths they did pursue were only the kind of truths that were compatible with production and industrialisation. Its investigation into nature could only be famed under the need to control and exploit it. 'Enlightenment behaves towards things as a dictator towards men. He knows them in so far as he can manipulate them. The man of science knows things in so far as he can make them.'[49] In *Eclipse of Reason*, Horkheimer refers to nature as not simply the natural world external to humans, but also as the instincts and desires of man. 'The domination of nature is also the domination of man. The instincts and desires of man are subordinated to the goal of preservation. And since the subjugation of nature inside and outside man goes on without a meaningful motive, nature is not transcended or reconciled, but oppressed.'[50] Survival or success depends upon the adaptability of the individual to pressures that society brings to bear on her. Horkheimer recognises that this is a feature of all periods of society, but argues that now it pervades all aspects of life. It becomes the default motive for every movement and decision. He offers a comparison between riding a horse and driving a car to illustrate that the latter activity requires greater attention to regulation and laws, confinement to precise

[47] Max Horkheimer and Theodor Adorno, *Dialectic of Enlightenment*, trans by John Cummins (London: Verso, 1944, 1969, 1972, 1979, 1997) p. 4.
[48] 'Traditional and Critical Theory', p. 209.
[49] *Dialectic of Enlightenment*, p. 9.
[50] Chapter 3, The Revolt of Nature' in *Eclipse of Reason* p. 64.

processes, and the focus of one's reason and attention on one specific activity to a more extensive and greater degree than the riding of a horse requires.[51]

The critical theorists believed there was a necessary connection between technology, industry and capitalism. The desire to make profit drove the development and activity of the former two. They believed science had been drawn into the vortex of capitalism, which needed it to create or improve the development of new products or find more efficient means of production in a manner that was compatible with the technological mass production methods of industry. Without a space in its methodology for examining values and ends, science unknowingly becomes a handmaiden for a particular way of organising the world. It was, Horkheimer charged, a form of instrumental reasoning. So long as science merely solved problems but did not ask for whom it was a problem or why, positivism simply served ends it could not see. It failed to realise that facts exist inside a framework of values and interpretation. By deifying itself as the only means to knowledge, it became a servant to the dominant interests in society for it had no means to judge itself or the ends of its activities. Scientific reason concerns itself with means, not ends. Its assumption that knowledge is impartial hides the reality of the value-ladenness of knowledge. Horkheimer and the critical theorists hold that knowledge is not neutral.

Critical theory must steer a path between the two poles of traditional and contemporary theory; Kantian transcendentalism and Positivistic empiricism. While both approaches contained some truth, neither approach to knowledge was satisfactory for Horkheimer. He held that the approach to knowledge must be

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[51] *Eclipse of Reason*, p. 64.

reflective and self-reflexive.[52] The critical theorists believed that this method could both attain knowledge and effect change. It must be emancipatory; which practically, for the Frankfurt School meant exposing and undermining the vested interests of capitalism, and freeing human subjectivity from the homogenising constraints of modern media and culture. Human subjectivity can be constrained by ideology or false beliefs which militate against our interests. But what might these interests be, since for the critical theorists, interests are given by society? There are various ways to answer this question, and ultimately, the answer depends upon one's conception of human nature.

1.1.2 Horkheimer's Open-Ended Account of Knowledge

The early Frankfurt School comprised of members who were either members of the Communist Party or who were deeply influenced by Marxism. The Marxist view of human nature as historically constituted and formed through praxis provided an early basis for the theorists' investigations into the connection between society and the individual. But the failure of the Communist Revolution to materialise in 1920s Europe, and the introduction of Freud's writings to the school, changed the direction of their questions. Freud's theory provided an account of a hidden structure to the mind but he did not explain how this was influenced and determined by the social conditions around the individual. Marxism on the other hand had failed to explain how society moulded the individual to be a proletarian or a capitalist. A combination of the insights of these two theories could provide both an explanation for the advance of capitalism and

[52] 'On the Problem of Truth', p. 413.

a plan to combat its encroachment on all aspects of human life. These possibilities are bounded by the historical and material conditions of the time. Any understanding or any plan of action must respond to the particular circumstances of each historical era. Knowledge and consequently action must be uncovered and pursued anew by each generation.

In 'On the Problem of Truth' Horkheimer held that truth was a moving object.[53] Facts only acquire meaning or significance within the historical, cultural, and ideological framework within which they are set;

> It cannot be said in general what meaning and value some particular knowledge has. That depends upon social conditions as a whole at the particular time, on the concrete situation to which it belongs. Thoughts which, taken in isolation, are identical in content can at one time be unripe and fantastic and at another outdated and unimportant, yet in a particular historical moment form factors of a force that changes the world.[54]

History, human circumstances, human institutions and beliefs change over time. What counts as knowledge may change over time, or changing beliefs may cast it in a new light allowing it to move into prominence or decline as other elements also change over time. Horkheimer traces the history of truth from belief in religious truth to belief founded on monarchical society to that of various systems proposed by philosophers to the current belief in a system of economic progress. What is true can only be ascertained by the structures and values of the period in which a belief is held.

Neither Horkheimer nor his fellow theorists, however, wanted truth to be accounted as merely relative. At the beginning of the essay on truth, Horkheimer distinguished between two opposing notions of truth which he felt existed in

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[53] First published in 1935.
[54] 'On the Problem of Truth', p. 420 – 421.

contemporary society; relativistic and universal or absolute, both of which he believed led to 'the public mind [...] increasingly [being] dominated by some rigid judgements and a few postulated concepts.'[55] Horkheimer traces both attitudes through the history of philosophy and criticises both. He argues that no one account of truth can ever be the absolute or transcendent truth. But neither is an account of truth merely opinion, true only relative to that specific set of circumstances. It becomes incorporated into the history of truth, being built upon or modified or rejected, but not disappearing as soon as the set of circumstances that recognised it change. Truth is composed of 'moments of truth'. It exists in a certain social or historical moment but also provides the basis for future assumptions and investigations which may modify, reject or transform what was considered to be true. 'Recognition of the conditional character of every isolated view and rejection of its absolute claim to truth does not destroy this conditional knowledge; rather, it is incorporated into the system of truth at any given time as a conditional, one-sided and isolated view.'[56] Such an attitude towards knowledge assumes that it is open and continuously developing. It recognises that knowledge develops piecemeal, through a variety of channels and sources that might not even be recognised in the current age. It is a social and historical account of knowledge which recognises the influence of society upon the individual knower, and in turn, the individual knower's potential to contribute to the discovery of truth. What the individual can contribute is tied to the critical theorists' notion of reason which we will discuss in the next section.

[55] 'On the Problem of Truth', p. 408.
[56] 'On the Problem of Truth', p. 414.

Since Horkheimer felt that neither the idealistic, transcendental path nor the relativistic, subjective path led to a true understanding of reality, the method of Critical Theorists must somehow be sensitive both to the historical constitution of facts and at the same time have a truth value not merely for that moment but to meet a certain, universal end - the development of human freedom. To achieve this, critical theorists must self-reflectively use reason and a dialectical method. This self-reflective thinking or reasoning can be neither instrumental nor autonomous, but is a socially conditioned judgement that is developed under particular historical conditions. It is aware of its historical conditioning and contributes to the development of these conditions and institutions. The Critical Theorists held that subjectivity was moulded by social forces. The relationship between individual subject and society is dialectical and so each influences and forms the other in a reciprocal relationship. This means that Horkheimer must give an account of how social structures and institutions might be changed in order to produce a different subjectivity in the individual. The answer is to be found in their understanding of human reason and the dialectical methodology of interrogating the world. Adam Smith faced a similar problem in TMS when he had to consider how a socialised subject could make a moral judgement different to the one that the majority of society held. His answer, though vague, contains elements similar to the Critical Theorists' solution.

1.1.3 Critical Theory Method

History is not reified, but our instinct is to hold onto one expression or moment in time as the truth of that period. It is by examining the facts that resist the official explanation or account, that a new account of history and its engines is constructed. This is the duty of the philosopher, contends Horkheimer. 'The real

social function of philosophy lies in its criticism of what is prevalent. That does not mean superficial fault-finding with individual ideas or conditions, as though the philosopher were a crank. [...] The chief aim of such criticism is to prevent mankind from losing itself in those ideas and activities which the existing organisation of society instils into its members.'[57] The philosopher should not accept the given. She should interrogate the values and institutions of society. She needs to provide a counterweight to the hegemonic ideas of her day in order to ensure that those ideas do not become so entrenched as to be regarded as natural and given, no more assailable or open to human action than the laws of gravity. Analysing and researching their contemporary society led Horkheimer and Adorno to the conclusion that the principles of capitalism and relatedly, the scientific notion of reason had become reified into just such an objective status.[58] To challenge this status requires the philosopher to think against the grain, to look at the facts, beliefs, lives and experiences that the hegemonic theory cannot explain or represent. She must critique the theory not simply as false or untrue, but see it as a partial version of truth when placed in the larger history of truths:

> The critique of every concept and every complex of concepts by progressive incorporation into the more complete picture of the whole does not eliminate the individual aspects, nor does it leave them undisturbed in subsequent thought, but every negated insight is preserved as a moment of truth in the progress of cognition, forms a determining factor in it, and is further defined and transformed with every new step.[59]

This method of interrogating reality is not simply a process of understanding what it is, but also an action of change. It becomes the means of change in history. In

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[57] Max Horkheimer, 'The Social Function of Philosophy', in *Critical Theories: Selected Essays*, trans. by Matthew J. O'Connell (New York & London: Continuum, 1995), pp. 264 – 265.
[58] See Adorno's analysis of contemporary music in the essay 'On the Fetish Character in Music and the Regression of Listening', originally published in 1938. Reprinted in Arato and Gebhardt. See also Adorno's newspaper article 'The Stars Down to Earth' in the *Los Angeles Times Astrology* Column. Reprinted in *The Stars Down to Earth* (London: Routledge, 2001).
[59] Max Horkheimer, 'On the Problem of Truth', p. 414.

his *Eclipse of Reason*, Horkheimer argues that the ruling group intent on defending their particular interests stress a universal motif in economics, religion, culture and science. The revealing of a contradiction between what exists and its ideology allows for historical progress.[60] This is what Antti Kauppinen calls an 'internal critique'; a critique 'that appeals to the commitments of the addressee of the criticism rather than that of the critic'.[61] Adorno and Horkheimer use a complex version of internal critique which Kauppinen denominates 'reconstructive internal critique'. In this case, the critic is attempting to make implicit standards explicit, and then showing how certain practices or institutions contradict their own assumed standards.[62] Based on the critical theorists' understanding of human nature and its connection to society, they hold it to be a moral requirement of all societies that they allow the development of reason to its fullest extent. In other words, as individuals are primarily formed by their historically situated social community, it is in the individual's interest to be capable of choosing her own ends. She must develop substantive reason. The relationship between individual and society is dialectical. Since society exists by virtue of its individual members, its ability to develop or to respond to crisis or changes in its economy, environment, or social fabric depends upon its individual members being capable of thinking about and beyond the ends society holds for itself. Thus, for Horkheimer and Adorno, the requirement for a society to enable the development of its members' substantive rationality is both a moral and practical imperative. Using this as a universal standard, the critical theorists

[60] *Eclipse of Reason*, Chapter Five, On the Concept of Philosophy, p. 121.
[61] Antti Kauppinen, 'Reason, Recognition and Internal Critique', *Inquiry*, 45:4 (2002), 479 – 498, (p. 482).
[62] Kauppinen, p. 484.

investigate different ideologies, institutions and cultural practices to determine to what extent they develop or retard this human capacity.

The *opus magnus* of this critical method is *Dialectic of Enlightenment,* where Horkheimer and Adorno interrogate the values and principles of the Enlightenment, (that is, the scientific theory of knowledge that contested the religious dogma in Europe in the seventeenth and eighteenth centuries, and the broader intellectual movement that contested superstition and error in human thinking), and found in them the very negation of its own ideals – autonomy and the improvement of humanity. As Adorno was to say, progress was the movement from the bow and arrow to the atomic bomb.[63] The very values of objective knowledge, universal, impartial laws, value-free and testable scientific knowledge, led to the destruction of autonomy, subjectivity and the ability to make moral judgements. This occurred as the capabilities and knowledge needed to make moral judgements, to know oneself, and to determine one's own goals became downgraded, irrelevant and not practiced. The Enlightenment ended up in a Positivism championing an instrumental, not a moral rationality. Its expression in the world was through the instruments of capitalism, bureaucracy and science – the core institutions of the modern state. The Enlightenment gave the illusion of progress, but at great cost, they contended.

In this account, Adorno and Horkheimer read history (through the writings of Homer, de Sade, and Nietzsche) as a dialectical interplay between mythic and rational thinking where reason ends up in myth, but is not aware of its own

[63] They find the negation of the goals of Enlightenment within the values and principles of Enlightenment itself. 'In the most general sense of progressive thought, the Enlightenment has always aimed at liberating men from fear, and establishing their sovereignty. Yet the fully enlightened earth radiates disaster triumphant.' See *Dialectic of Enlightenment*, p. 3.

irrationality. The aim of the critical theorist is to self-consciously apply the dialectic method to the subject of their analysis. The resulting new account of history is not simply the opposite of that which it examines (not -a) but other alternatives or realities (b, c, d) struggling for expression in the same historical space.[64] Thus the practice of philosophy (or the critical theorists version of philosophy), does not simply give an account of history, but in the telling of this new account changes history and allows for change. The new account of history becomes incorporated in an ongoing dialectical process that forms, as well as explains history.

This later contention (that dialectical process forms history) explains Horkheimer's claim that truth is also a matter of character and belief. Where the individual believes an account is true, she acts on it: 'the truth is advanced because the human beings who possess it stand by it unbendingly, apply it and carry it through, act accordingly to it, and bring it to power against the resistance of reactionary, narrow, one-sided points of view.'[65] The new account of history not merely explains something, but shows the subject in a new light to herself. It changes her understanding of her relation to society and to certain groups and institutions within society. Once she gains this truth, her actions change and in so doing bear testimony to the truth of the new account she has gained. 'The truth of these [theories] must be decided not in supposedly neutral reflection but in personal thought and action, in concrete historical activity.'[66]

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[64] 'Introduction' by Gebhardt in *The Essential Frankfurt School Reader*, p. 398.
[65] Gebhardt., p. 422.
[66] 'Traditional and Critical Theory', p. 222.

The dialectical method itself requires its users to be self-reflective, and in this act, it is emancipatory. The critical theorists aimed to rehabilitate 'reflection' as a category of thought instead of allowing it to be subsumed into a branch of psychology. It is this ability to reflect (a type of reason), that allows us the possibility of conscious choice which 'presupposes alternatives that can be known or created, and this is the proper task of substantive reason'. [67]

1.1.4 Instrumental and Substantive Reasoning

In the *Eclipse of Reason*, Horkheimer distinguishes between instrumental or subjective reasoning and substantive or objective reasoning. He believes that the age of capitalism and enlightenment has progressively limited reason to concerns of means rather than ends. Reason is viewed as being concerned with classification, inferences and deductions, but not with the larger judgements of values or goals or the structure of society. 'It attaches little importance to the question whether the purposes as such are reasonable. If it concerns itself at all with ends, it takes for granted that they too are reasonable in the subjective sense, i.e., that they serve the subject's interest in relation to self-preservation – be it that of the single individual, or of the community on whose maintenance that of the individual depends.'[68] The principles and ends of economics are reified to become the natural ends of humanity. Hobbes's principle of self-preservation and Smith's universal claim that humans desire to better themselves become so self-evident that they form the parameters and principles within which the development of all

[67] Gebhardt, 'Introduction' in *The Essential Frankfurt Reader*, p. 392.
[68] *Eclipse of Reason*, p. 3.

social and economic institutions must fall.[69] The narrowing down of reason is achieved in a myriad of ways in such a society.

Conformity in thinking and in living one's life is encouraged through legal and social regulations, through the representations of mass culture and through one's participation in the working world. Even though 'technical knowledge expands the horizon of man's thought and activity, his autonomy as an individual, his ability to resist the growing apparatus of mass manipulation, his power of imagination, his independent judgment appear to be reduced.'[70] In their chapter on the Culture Industry in *The Dialectic of Enlightenment*, Horkheimer and Adorno analyse the ways in which popular culture (music, television dramas, film, celebrity lifestyles) offer certain ends and values as desirable. Even high art is being co-opted by capitalism so that its potential to challenge contemporary values and beliefs becomes neutered by being placed in art museums or by becoming commodities (investments) themselves. Yet at the same time, the worker is consistently told she is an individual and that individuality is highly prized. Politicians claim to listen to their citizens and take their views into account, and manufacturers and retailers anxiously solicit feedback from their customers. Socialised to view certain goals as natural, the individual gives answers and makes choices within a framework that suit these powers. 'The patterns of thought and action that people accept ready made from the agencies of mass culture act in their turn to influence mass culture as though they were the ideas of the people themselves.'[71] All activity and experience becomes viewed

[69] Although this is not the only desire that Smith believes motivates humans, it is the one that economists have singled out, forgetting the others.
[70] *Eclipse of Reason*, preface.
[71] *Eclipse of Reason*, p. 104.

instrumentally; a solitary walk or working in one's garden is valuable because it achieves something, health or relaxation. The individual is encouraged to have hobbies 'which helps to replenish his working power.'[72]

Horkheimer condemns this organisation of society where creativity, passion and interests become separated from the daily way of living. It reduces the freedom of its members through a flattening of individuality. Horkheimer claims that individuality becomes completely subordinated to self-preserving reason. This form of instrumental reason makes value decisions a private matter thus giving the illusion of individual choice.[73] Reason becomes narrower and narrower under these conditions, viewing a smaller and smaller patch of reality as its proper content and having fewer and fewer rational capabilities by which to interrogate its reality. In opposition to this, substantive reason takes a larger view of reality. It judges and compares, places facts and systems in a larger context and questions the given parameters of thought in an historical era. It is self-conscious and reflects upon itself, the subject being aware of her historical situatedness. In the practice of thinking, the philosopher knows herself both as socially moulded and as an individual. What the critical theorists need to explain is, given the deeply socialised nature of reason, how can an individual develop a way of thinking or a perspective different from the hegemonic beliefs and values of their society? The answer seems to lie in the extent of freedom and variety available in society.

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[72] *Eclipse of Reason*, p. 25.
[73] See chapter 4, 'The Rise and Decline of the Individual' in *Eclipse of Reason.*

1.1.5 Aim of Critical Theory

Given Horkheimer's understanding of reason and his criticisms of contemporary society, we need to consider what type of society he was pursuing or what kind of life he thought appropriate for the individual. Since his methodology is dialectical and historically constrained, it is hard to see on what basis Horkheimer condemns certain types of institution or practice and praises others. The standard by which he measures institutions or practices is freedom in the broadest sense. His notion encompasses both liberal and communitarian understandings of the term. Horkheimer describes freedom as 'an association of free men in which each has the same possibility of self-development.'[74] This concept rests on an understanding of the person as being composed of sociable and self-regarding elements, both of which are interconnected. This in turn requires a society that allows the individual the greatest possibility of formation of their individuality: materially, emotionally, socially and psychologically. Under these conditions, an expanded human reason can be exercised which in turn would ensure the continual development of a free society based on the 'conscious spontaneity of the part of free individuals.'[75] In other words, such a society must allow a wide variety of lifestyles, values, means of living, and access to information for its citizens. In this type of pluralistic society, the individual learns to compare, to judge, to see ways of living that are different to how they have been brought up. The standard by which they judge and compare is that of freedom or possibility (as may be understood in that period), and how the different practices and institutions enable the free development of those who

[74] 'Traditional and Critical Theory', p. 219.
[75] 'Traditional and Critical Theory', p. 200.

participate in them. While reason is necessarily circumscribed by certain historical limits, it nevertheless changes and develops in its interaction with different viewpoints.

While Horkheimer criticises capitalism for its colonial tendencies, where it subsumes all difference to its own way of reasoning and under its given principles, he does not deny that a certain freedom has been developed under capitalism. It may seem that the modern individual is freer than her ancestors. This is true in that there is an increase material goods, and Horkheimer acknowledges that 'freedom has increased with the increase in productive potentialities'. The modern individual has a much wider selection of goods and more of them, but before counting this as complete freedom, Horkheimer argues that we must consider the pressures associated with this increase in products. He argues that the demands of the systems that produce these products result in 'our spontaneity replaced by a frame of mind which compels us to disregard every emotion or idea that might impair our alertness to the impersonal demands assailing us.'[76] It is true that increased material security and choice increases our freedom in a certain sense, but for Horkheimer, the individual must be capable of criticising the prevalent values and ends of their society and also be able to imagine an alternative way of living in order to be genuinely free. The process of developing a society that fosters individual freedom is continuous and must be engaged in by every generation. To ensure the creation of individuals with the capability to keep creating or ensuring a free society, each society must foster the formation of substantive reason in their citizens. In *Eclipse of Reason*, Horkheimer is optimistic that this can be achieved despite the growing hegemony

[76] *Eclipse of Reason*, p. 67.

of capitalism. 'Again and again in history, ideas have cast off their swaddling clothes and struck out against the social systems that bore them.'[77]

The question of what constitutes free human reason for the critical theorists is open to a variety of interpretation. Given that they held that reason was historically situated and socially constituted, the specific characteristics of its best development depend upon the period in which it develops. Raymond Geuss's analytical exploration of critical theory's concepts and methodology provides a more concrete explanation of this approach. In analysing the concept of freedom, he parses 'to be free' to mean 'not to be constrained'.[78] To not be constrained means to have material, social and psychological limits on our choices removed. It means to know what our true interests are. To find out what one's interests are could be discovered in a variety of ways; by considering what we would choose with access to perfect knowledge or perhaps to consider what we would choose under optimal conditions. But we would have to be aware that both of these exercises would be carried out in a historically given situation, so that the individual can only know, within what it is possible to project or imagine at that time, what perfect knowledge or optimal conditions are. Thus the search for freedom must be an ongoing process, with the goals changing in every historical era.[79]

This understanding of society and the development of individual judgement generates the moral requirement for a certain kind of society. In this, it echoes Alasdair MacIntyre's discussion of the foundations and development of

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[77] *Eclipse of Reason*, 121.
[78] See *The Idea of a Critical Theory,* chp. 2.
[79] *The Idea of a Critical Theory*. See his introduction.

morality in *After Virtue*. After critiquing the loss of foundation for modern moral beliefs and judgement, and the resulting incommensurability and confusion in modern moral discourse, MacIntyre argues that moral belief rests upon the values of a community, historically given, acted upon and lived. These may change slowly and organically over time, but for MacIntyre they provide intelligibility to our social and moral commitments. His final conclusion is that we now need to construct local forms of community within which civility and the intellectual and moral life can be sustained through the dark ages of capitalism.[80] Horkheimer does concede that capitalism provides certain freedoms. In contrast to the feudal era, a capitalistic society 'permitted a certain range of deliberation.' This is necessary for the development of autonomous reason. In a historical account of the development of the individual, one is never free or independent of one's socialisation, but the greater the variety of life possibilities offered in a society, the more scope there is for the development of a judgement that is not slavishly tied to the dominant values. Horkheimer recognises that the consideration of diverse possibilities 'presupposes the freedom of leisure and choice'.[81]

To allow a member to be free in Horkheimer's sense requires a society that offers a variety of life models and the conditions in which to develop and exercise substantive reason. In many respects, the above understanding of the individual, of her relation to society and of the consequent requirements for a society that allows the development of the individual shares similarities with Adam Smith's understanding as found in his published writings. These similar understandings allow me to use Horkheimer's critical theory method of

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[80] Alasdair MacIntyre, *After Virtue: A Study in Moral Theory* (London: Duckworth, 1981, 1985).
[81] 'The End of Reason', first published in *Studies in Philosophical and Social Sciences*, 9 (1941). Republished in the *Essential Frankfurt Reader*, p. 39.

investigation in examining Smith's texts. I will examine his understanding of human nature, its relation to society, and the development of the capacity to reason in chapters two and three. In chapter four, drawing on the implicit assumptions unearthed in the previous chapters, I will argue that Smith had a broad understanding of justice compatible in many respects to Horkheimer's description of the conditions necessary for the development of substantive reason.

1.1.6 Return to Horkheimer's Criticisms

I will now return to Horkheimer's two major criticisms of capitalism mentioned in the introduction to this chapter since they set the framework for the version of justice I argue is implicit in Smith's texts. The first was that capitalism reduces the individual's capacity for substantive judgement to instrumental reason. I have already discussed his account of how this happens in section 1.1.4, and of its effect in rendering individuals incapable of global judgement or criticism of the given values and principles of society. This in turn reinforces the narrowing of possible social practices and ways of living in the wider society which in turn reduces the capability of reason to develop alternative views and values producing a vicious and self-fulfilling circle. This is presumably an unintended consequence of capitalism but it results in a spontaneous order that is not beneficial for mankind.[82]

[82] Unintended consequences and spontaneous orders provide explanations and mechanisms of organisation in Smith's work (and in liberal thought generally). See chapter one of Craig Smith's *Adam Smith's Political Philosophy: The Invisible Hand and the Spontaneous Order* (Oxford: Routledge, 2006).

The second criticism is related to the first. Capitalism leaves individuals with a feeling of powerlessness, of being trapped in systems of their own creation but unable to change or even to refuse to participate in them. The world which is given to the individual and which she must accept and take into account is a product of the activity of society as a whole. The individual participates at the urging of her reason that this is the means of survival. In participating, she confirms her own rationality. 'Humans experience society as comparable to natural processes because cultural forms which are supported by oppression and war are not the creations of a unified, self-conscious will. The world is not their own but the world of capital.'[83] Capitalism is offered as a science based on an objective principle of human nature. It involves the participation of large swathes of population. The type of behaviour that most effectively meets the need of human nature to survive is denominated rational. Thus the individual can think of no other form of behaviour and yet she feels trapped in participating in this kind of behaviour. In so doing, 'their work and its results are alienated from them, and the whole process with its waste of work power and human life, and with its wars and all its senseless wretchedness, seems to be an unchangeable force of nature, a fate beyond man's control.'[84] The sense of freedom becomes diminished. This is true, at least, for those in the lower rank of the capitalist system. Those who benefit from the system, presumably, do not feel so constrained, or at least can buy more means to a satisfying life, and have greater power to direct their lives. It is the former group, the workers, whom I shall concentrate upon in my analysis of Smith's writings. When considering the notion of justice, I will consider it from

[83] 'Traditional and Critical Theory', p. 208.
[84] 'Traditional and Critical Theory', p. 204.

the point of view of the working poor in Smith's day. Chapter five will test my reading of justice in Smith's work by seeing what it means for the poor of his day.

Although these criticisms are levelled at the capitalism of Horkheimer's day, we can ask whether they are inherent in Adam Smith's blueprint for his 'system of commerce' as described in the *Wealth of Nations*. Could Smith have envisaged such outcomes from his own description? Is such a change in society with the creeping colonization of capitalist principles into every area of life inevitable given Smith description of society and commerce? I will argue that Smith would have felt not, given his historically situated understanding of human nature and its relation to society. Where Smith did foresee problems arising from the new system of commerce that was replacing mercantilism, he suggests practical remedies to combat them. The rest of this chapter will focus on Smith's own approach to knowledge and its relation to society, and will argue there are enough similarities in his themes and approach to philosophy to enable me to use critical theory methodology in my discussion of Smith's tets. Furthermore, Smith's epistemology reveals, I argue, his commitment to a dialectical understanding of the relationship between individual and society.

1.2 Smith's Approach to Philosophy

There are several points of convergence between Smith's subject matter and approach to philosophy and those of the critical theorists: Smith's view of the dialectical relationship between the individual and society is close to that of the Frankfurt School. His historical account of the development of society and of the influence of culture on values and judgement echoes the historical material

account of critical theory. Secondly, Smith's broad view of reason as comprising many skills, from induction to judgement with a close connection to imagination, resembles the substantive view of reason. I will examine these aspects of Smith's writings in the following two chapters.

The remainder of this chapter will examine Smith's views on knowledge, and on research methods in some detail. It is not meant to be an exhaustive investigation of Smith's epistemology, but rather aims to highlight some particular commonalities he shares with Horkheimer's discussions of critical theory; (i) knowledge is tied to social and historical conditions, (ii) knowledge is not value neutral, and (iii) the search for knowledge is an continuous, open-ended process. Such commonalities between the two philosophers' views lends support to my project of investigating Smith's writings from the later philosophical perspective.

1.2.1 Smith's Social Epistemology

Many commentators have noted Smith's debt to Hume in relation to his epistemology.[85] It is clear that Smith takes Hume's account of association as a given characteristic of human psychology.[86] This can be seen in his essay 'Of the External Senses' where Smith explicitly refers to 'the known principle of the

[85] Henry J. Bitterman argued that Hume was an importance influence on Smith's methodology in 'Adam Smith's Empiricism and the Law of Nature', *Journal of Political Economy*, 48 (1040), 487 – 520. For recent investigations of Hume's influence see Kim Kwangsu, 'Adam Smith's "History of Astronomy" and View of Science', *Cambridge Journal of Economics*, 36 (2012), 799 – 820) or Philip Nicholson who highlights Smith's indebtedness to Hume in all areas of his thought. In relation to Smith's epistemology, he points to the influence of Hume's idea that imagination and not reason was the faculty on which understanding depends. See *Adam Smith: An Enlightened Life* (London: Penguin, 2010).

[86] See Hume's *A Treatise of Human Nature*, ed by Selby-Bigge and P.H. Nidditch, second edition, (Oxford: Oxford University Press, 1978), See Bk I, pt 3, s. vi for his description of this phenomenon.

association of ideas,' when explaining how perspective seems to be learned or developed rather than an instinctual function of the human eye.[87] Similarly, Smith's description of how individuals accept certain explanations of the course of the planets as true based on habitual association in his essay on Astronomy is reminiscent of Hume's account of how we know in Volume One of the *Treatise*.[88] There are other possible debts that Smith owes to Hume's epistemology– such as to Hume's focus on the imagination as the faculty on which understanding depends, or even Hume's concept of natural belief.[89] This connection to Hume has led those investigating Smith's views on science and methodology to debate the degree to which Smith should be seen as a sceptic. He has been variously described as a 'sceptical realist'[90] at least in moral enquiry, a 'moderate realist'[91] in natural philosophy, and a 'critical realist'[92] regarding scientific knowledge.[93]

This debate is interesting for my purpose, because it addresses the questions of how far Smith held there exists a mind independent reality, how far this reality can be known and by what means. It is with the latter two questions that I am mainly concerned. The answers point to Smith's recognition of (i) the influence of social and historical circumstance on the acceptance and development of knowledge, (ii) that the search for knowledge is a continuous process, based on

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[87] This essay is found in *Essays on Philosophical Subjects*, eds W.P.D. Wightman and J.C. Bryce, Glasgow Edition of the Works and Correspondence of Adam Smith, (Indianapolis: Liberty Fund, 1980), p.163. Smith then hedges his bets by claiming that such perception could be instinctive but in a much weaker degree than the greater part of animals.

[88] *Treatise.* See especially Book One, pt 1, s.iv.

[89] Ryan Hanley describes this concept in Hume and traces it in Smith's writings in, 'Scepticism and Naturalism in Adam Smith', *Adam Smith Review*, 5 (2010), 198 – 212.

[90] Ryan Hanley (2010), p.198.

[91] Eric Schliesser, 'Wonder in the Face of Scientific Revolutions: Adam Smith on Newton's 'Proof' of Copernicanism', *British Journal for the History of Philosophy*, 13 (2005), 697- 732.

[92] Kim Kwangsu, p.799.

[93] D.D Raphael, on the other hand, roundly denies Smith is a sceptic, claiming he is a theist. See *The Impartial Spectator: Adam Smith's Moral Philosophy* (Oxford: Oxford University Press, 2007), p. 104.

what has come before and (iii) that knowledge is not neutral. It has a different value for different groups. These three characteristics are also evident in Horkheimer's approach to knowledge.

In his essay on the history of Astronomy, Smith investigates the human drive to search for knowledge. He argues that it is based on a psychological need for a coherent narrative of the world. The human mind, he explains, is used to running from one idea or subject to another in a habitual manner. If, however, the mind should come across a phenomenon that it has not encountered before, or something occurring out of its usual sequence, the person feels surprise and wonder.[94] These for Smith are not pleasant feelings. The mind does not like gaps in its habitual thinking. Indeed, in extreme cases where an individual finds a great deal contrary to his habitual thinking, it can lead to 'lunacy and distraction.'[95] When an individual finds something incongruent to its habitual thinking, she begins to wonder about the phenomena that caused this stop, and she examines the evidence available in order to try to construct a plausible explanation to provide a bridge so that the mind can run from the usual to the unusual without stopping. By repetition, and over time, the mind will jump from one idea to the new idea without having to stop and examine the explanation. Craig Smith calls this means of understanding knowledge 'gap-plugging', the point of which is to 'provide

[94] Smith defines 'surprise' in the essay as 'what is unexpected', that is, what we see often but which we come across in an unexpected place; and 'wonder' as the feeling excited by 'what is new and singular' such as the rarer phenomena of nature. See his essay 'The Principles Which Lead and Direct Philosophical Enquiries; Illustrated by the Hisoty of astronomy', in EPS, p 33. Hereafter referred to 'History of Astronomy'.
[95] 'History of Astronomy', p. 44.

increasingly satisfactory and coherent explanations' which allow individuals stability of expectation.[96]

Smith illustrates his explanation of the human tendency to theorise by examining the history of astronomy. He traces the development of explanatory theories from the ancient Greeks through Ptolemy, Copernicus, Kepler, Galileo, Descartes and Newton. Smith notes that as humans observed more of the night skies or made different calculations, they found their current explanations inadequate and so new explanations were developed until Smith's day when Newton's theory is perceived as 'the greatest discovery that was ever made by man, the discovery of an immense chain of the most sublime truths.'[97] The acceptance of a new theory over an older, however, did not depend merely on technological advances, or advanced mathematical prowess but also required that it overcome the entrenched prejudices of the astronomical community first, and later, that of the public. This is most evident in Copernicus' case. In a break with past explanations, he posited that the planets, including earth, revolved around the sun, as opposed to the earth. 'When it [this theory] appeared in the world, it was almost universally disapproved of, by the learned as well by the ignorant. The natural prejudices of sense, confirmed by education, prevailed too much with both, to allow them to give it a fair examination.'[98] Smith then goes on to describe the long process by which the theory came to be accepted; the modification, calculations, digressions and later theories that used Copernicus's hypothesis as a basis. This process, and the psychological impetus that drives humans to seek

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[96] Craig Smith, *Adam Smith's Political Philosophy: The Invisible Hand and the Spontaneous Order*, (Oxford: Routledge, 2006), Chp. 2, p. 32.
[97] Smith goes on to describe them as 'all closely connected together, by one capital fact, [gravity] of the reality of which we have daily experience'. See 'History of Astronomy', p. 105.
[98] Copernicus had his theory published in 1543. 'History of Astronomy', p. 76.

knowledge is evidence that Smith realised the importance of society in discovering knowledge.

In his essay on Astronomy, Smith distinguishes between common sense knowledge and expert knowledge. One is based on Hume's associationist principles, the other on a particularly close experience, and methodological approach to the subject. Smith uses this distinction to explain why one theory or explanation is eventually accepted over another. The opinion of the expert provides some criteria by which humans seem to prefer one theory over another. This is related to how coherent or persuasive an expert in the area finds the new account. While the ordinary person might not notice a shortcoming in the explanation of a certain phenomenon, an expert will discover a want or lack. In the same way as the 'nicer ear of a musician will discover a want' in the measure and harmony of a piece of music that to the greater part of men seems perfectly agreeable, so 'the more practised thought of a philosopher, who has spent his whole life in study of the connecting principles of nature, will often feel an interval betwixt two objects, which to more careless observers, seems very strictly conjoined.'[99] Thus a new explanation of a phenomenon must be accepted by the practitioners in the field before it becomes generally accepted. Their knowledge and experience provides the standard against which any new theory must be measured. They determine whether the new account gives the narrative of their subject more coherence or not. The danger of Smith's account of standards is that they are susceptible to prejudice or superstition. This is evident in the specialists' reception (as well as that of the general public) of Copernicus' explanation of the

[99] 'History of Astronomy', p. 45. Smith gives several examples of processes that cause confusion to the ordinary observer, but which seem perfectly natural to their practitioners.

solar system, and in the French adherence to Descartes 'vortices' explanation of planetary movements over Newton's superior explanation.[100] Eric Schliesser in his 2005 article on Smith's methodology also notes the role of the social in the development of knowledge.[101] He uses Smith's idea of standards developed by specialists to defend him against charges of Humean scepticism. He argues that it is reasonable to accept the results of specialist inquiry into knowledge for they are based on a form of inter-subjective impartiality. In the debate as to how far Smith was infected by Hume's scepticism, Schliesser holds he was a moderate realist. Whatever the answer various interpreters of Smith have given to this debate, it is Smith's recognition of the social and historical influences on knowledge that have given rise to the debate. In this, he shares a common theme with Horkheimer's accounts of knowledge.

1.2.2 Smith's Open Ended Search for Knowledge

What is striking about Smith's description of the history of Astronomy is the openness of the process of discovery. Each successive theory responds in some way to previous theories. It is open ended, in that Smith appears to envisage the search for 'the connecting principles of nature' to continue with each successive historical period.[102] In discussing Sir Isaac Newton's achievements, Smith sounds a note of provisionality while admiring the great scientist's work.

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[100] Leonidas Montes discusses the differing acceptance and interpretation of Newton's gravitational theory in France and Britain during the eighteenth century. See 'Newton's Real Influence on Adam Smith and its Contest', *Cambridge Journal of Economics*, 32 (2003), 555 – 576.

[101] Eric Schliesser, 'Wonder in the Face of Scientific Revolutions: Adam Smith on Newton's 'Proof' of Copernicanism' in *British Journal for the History of Philosophy*, 13 (2005), pp 697 – 732.

[102] Smith's definition of philosophy; 'Philosophy is the science of the connecting principles of nature'. 'History of astronomy', p. 45.

> And even we, while we have been endeavouring to represent all philosophical systems as mere inventions of the imagination, to connect together the otherwise disjointed and discordant phaenomena of nature, have insensibly been drawn in, to make use of language expressing the connecting principles of this one, as if they were the real chains which Nature makes use of to bind together her several operations.[103]

Smith's admiration of Newton's elegant explanation that seems to answer many questions and be confirmed by experience, leads him to use the theory as if it described 'the real chains' and was not some recent invention of the imagination, the latest in a long line of explanations, and presumably, one that may be improved upon or even overturned, as the circumstances of history change.

This open-endedness is characteristic of Newton's methodology and Eric Schliesser and Leonidas Montes argue that Smith took this aspect of Newton's method and incorporated it into his own work.[104] Montes argues that Smith was a perceptive and sophisticated interpreter of Newtons's method. This is evident, he claims, in that Smith realised that Newtons's method, while aiming to uncover the real nature of things, was a search in progress, and that Newton was conscious of this. He was a scientific realist who takes research to be an open ended process that allows findings to be refined as part of a successive approximation process. Schliesser then traces this same principle in Smith's own enquiry into price in WN where he gives an account of Smith's use of 'natural price' to explain market price. 'Natural price' is a fiction Schliesser argues that allows learned men to research what causes deviations from the natural course of events which ends in a 'market price' different to that of the natural price. It is a method that allows for successive approximation. Smith provides an idealised account of what ought to

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[103] 'History of astronomy', p. 105.

[104] See Montes (2003) and Eric Schliesser, 'Some Principles of Adam Smith' Newtonian Methods in *Wealth of Nations*', *European Journal of the History of Economic Thought and Methodology*, 23-A (2005), 33- 74.

be the case rationally and then investigates why market price does not fall to natural price. The cause is usually due to institutional interference. This interesting analysis of Smith's method in WN provides a concrete example of the process Smith describes as a historical phenomenon in Astronomy. It follows on from Smith's recognition of the influence of context and history upon the development and acceptance of knowledge. Smith shares this insight with Horkheimer, though both men may differ on the possibility of knowing reality itself and indeed on the metaphysical status of that reality.

1.2.3 Knowledge as value laden

In his writings, Smith shows himself aware that knowledge is not value neutral. This manifests in three aspects. Knowledge may be used by those with power to influence institutions and Smith worries about this in relation to the power of the merchants. More fundamentally, in his description of the origin of our impetus to discover knowledge, the process is governed by the situatedness of the investigator; what she regards as wonder inducing is worthy of investigation, but what is habitual does not provoke investigation. Finally, it has been argued that Smith himself investigated knowledge in a non-value neutral manner, choosing his metrics to further a value of equity.[105]

In WN, it is evident that Smith is concerned about the power of particular groups to influence government unduly with their views on what constitutes the good of society. He notes this tendency particularly in relation to merchants and master manufacturers who use their knowledge to persuade others of their view of

[105] Eric Schliesser argues for this in his article 'The Measure of Real Price: Adam Smith's Science of Equity', in *The Street Porter and the Philosopher: Conversations on Analytical Egalitarianism*, eds Sandra Peart and David M. Levy (Michigan, University of Michigan Press, 2008), pp. 228 – 235.

the public interest, a view which usually is to their own interest. Merchants understand trade well, and use their position and knowledge to advantage. They bamboozle the landowner, 'not so much in their knowledge of the publick interest, as in their having a better knowledge of their own interest than he has of his.'[106] In discussing price, they direct the attention to one of the factors which reduces sales, 'the bad effect of high wages' but omit to mention the other factor which is under their control – 'the bad effect of high profits. They are silent with regard to the pernicious effects of their own gains. They complain only of those of other people.'[107] Thus Smith cautions the legislator from accepting the advice of this group of people. 'The proposal of any new law or regulation of commerce which comes from this order [merchants] ought always be listened to with great precaution, and ought never to be adopted till after having been long and carefully examined, not only with the most scrupulous, but with the most suspicious attention. It comes from an order of men, whose interest in never exactly the same with that of the publick'.[108] In these instances, Smith shows himself aware that knowledge, if not formed by the interest of the actor, can be used to further her interests. If this group is powerful or has a certain social status, then their account of knowledge gains influence;

> Merchants and manufacturers are, in this order [third of three orders Smith identifies in society], the two classes of people who commonly employ the largest capitals, and who by their wealth draw to themselves the greatest share of publick consideration.[109]

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[106] WN, I.xi, p. 267.
[107] WN, I.ix, p. 115.
[108] WN, I.xi, p. 267.
[109] WN, I.xi, p. 266.

Smith acknowledges here that the position of an individual in society can determine how their knowledge is accepted, and gives the sensible advice to the legislator to be wary of the information coming from this group.

There is however, a more fundamental way in which knowledge, as discussed by Smith, is value laden. Values are inherent in the very process of how knowledge is discovered. Given Smith's own account of the origin of knowledge in wonder, we can see that what is investigated flows from the situatedness of the expert – what causes him wonder drives him to investigation. What is habitual is not seen and therefore not investigated.

Smith's account of the origin of our search for knowledge is in the emotions. In Astronomy, he describes how the sentiment of wonder which occasions that 'staring, and sometimes that rolling of the eyes, that suspension of the breath, and that swelling of the heart, which we may all observe, both in ourselves and others, when wondering at some new object, and which are the natural symptoms of uncertain and undetermined thought. What sort of thing can it be? What is it like? are the questions which, upon such an occasion, we are all naturally disposed to ask.'[110] We then pursue an explanation to satisfy the gap our imagination. What provokes wonder differs from individual to individual. The expertise of the individual or her specific skills will lead her to wonder about different matters than those with other expertise. Thus the philosopher, 'who has spent his whole life in the study of the connecting principles of nature, will often feel an interval betwixt two objects, which to more careless observers, seem very strictly conjoined.'[111] Because of their special training, philosophers are more able

[110] History of Astronomy, p. 39.
[111] History of Astronomy, p.45.

to 'look for a chain of invisible objects to join together two events which occur in an order familiar to all the world'.[112]

Knowledge is pursued by experts, and this pursuit is driven by their feelings of wonder at certain events. This wonder is excited by questions relating to the conversion of bread into flesh and bones, for example, or the secret chains that 'connect the gravity, the elasticity, and even the cohesion of natural bodies, with some of their other qualities',[113] but it did not seem to have been excited by other questions, such as why women were not involved in productive labour to the same extent as men.[114] This presumably, was because for a philosopher of this time, this state of affairs was so habitual or customary that he 'cannot conceive what occasion there is for connecting events [...] which seem to him to succeed each other very naturally. It is in their nature, he tells us, to follow one another in this order, and that accordingly they always do so.'[115] Thus, on Smith's account, the search for knowledge by experts, will be limited by what is considered natural or customary by that particular group. In this sense, knowledge is value laden. It reflects the interests and habitual assumptions of those who engage in its discovery. Where the philosopher is commonly drawn from a particular gender or socioeconomic group, this means that what knowledge is discovered will be directed and limited by what this group finds habitual or wonder inducing.

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[112] *Ibid.*
[113] *Ibid.*
[114] See Smith's discussion on productive and unproductive labour in WN, II.iii. In this discussion, he recognised that professions both useful and frivolous can be denominated unproductive, such as doctors, military men and singers, but he fails to discuss the labour involved in the reproduction and rearing of humans, its specific value and the recompense the labourer (viz women) gains for this type of labour. Smith does recognise that some women engage in productive labour, as spinners for example at WN, IV.viii, p. 644, but he does not consider the gender implications of his economic system.
[115] History of astronomy, p. 44.

Finally, it has been argued that Smith himself is not value neutral in his own pursuit of knowledge. Schliesser ingeniously argues that Smith's 'science' of economics is driven by a sense of equity. He deduces this from Smith's use of corn as a measurement unit of price which covers the living standards of the working poor. He clarifies the distinction between nominal price which refers to the amount of money earned in our possession, and real price which refers to the amount of necessities and conveniences which this money can command. Real price measures welfare, and Schliesser believes Smith introduced the idea of real price for this reason. It was the most useful yardstick given his interests in advancing the interests of the working poor.[116] From this perspective, it appears Smith is framing his knowledge according to a set of values and consciously so. These various perspective on knowledge indicate that Smith was aware of the impact of status, experience and values on the reception, discovery and implementation of knowledge.

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1.3 Conclusion

I have set out the two major criticisms of capitalism made by Horkheimer, and highlighted the importance of substantive reason. In particular, I have examined his criticisms of capitalism as narrowing down the scope and capability of reason to an instrumental function. This view of reason rests on the critical theorists' understanding of human nature as formed in a dialectical relationship with society. These elements provide the set of characteristic Smith must consider in his response to Horkheimer's criticisms, and are, I argue, inherent in Smith's

[116] Schliesser (2008), p. 233.

version of justice. I then looked at Smith's approach to epistemology and noted the similarities between his approach and that of Horkheimer: both understand knowledge or truth to be connected to social and historical perceptions and standards of truth. Both understand the search for knowledge to be open ended and both recognise knowledge as value laden. Both understand there to be an interconnection between the individual and society which is instrumental in the formation of human reason and in the development of knowledge. Horkheimer is concerned that the processes of society under capitalism will damage the human faculty of substantive reason. Smith understands this concern. In the next chapter, I will investigate Smith's views on human nature and its connection to society.

CHAPTER 2: Sociable Human Nature

2.0 Introduction

In the two books published during his lifetime, Adam Smith attempted to explain the impetus behind individual actions within a variety of fields, particularly the moral and the economic. These actions and choices are influenced by society and in turn influence society in a complex relationship that results in the creation both of social institutions and individual beliefs and values. In the *Theory of Moral Sentiments*, Smith discusses the development of a moral sense within the individual and the development of moral rules within society. In the *Wealth of Nations*, he examines how individuals desire to improve themselves which, if facilitated or at least not hindered, leads to the best system which would allow for the greatest generation and spread of wealth within the nation. Both are underpinned by the psychology of sociable beings whose innate faculties and instincts allow them to understand others and co-ordinate their actions in all arenas; social, moral, and economic. I take the view that Smith is working with the same understanding of human nature in both books. Historically there was a view that the version of human nature presented in TMS contradicted that presented in WN; the former providing an account of humans motivated by benevolence, the latter taking our over-riding motivation to be that of self-interest. This was known as 'Das Adam Smith Problem'.[117] Contemporary Adam Smith

[117] A good overview of the history of this debate can be found in chapter 13 of Raphael's *The Impartial Spectator*. See also Dickey's article 'Historicising the Adam Smith Problem' in the *Journal of Modern History* (1986) 58, 3, pp 579 – 609. Montes provides a very thorough summary in chapter 2 of his book *Adam Smith in Context* (Hampshire: Palgrave Macmillian, 2004).

literature views Smith as having a unified conception of human nature in his published writings. I do not argue for this point. This has been ably done by others.[118]

I will discuss Smith's understanding of human nature and argue that his actor, whether in the moral or economic sphere, is deeply sociable and socialised. Smith holds humans have certain innate faculties and instincts, but these only develop through socialisation. Socialisation develops our capability to make moral judgements, to communicate, and to form social and economic systems. The relationship between individual and society is a dialectic one in which each party influences the other; social institutions of family, education and cultural and social norms form the individual's ability to make moral judgements but also, individual judgement and values influence and gradually change these very institutions.[119] This chapter will focus on Smith's concept of human nature, and the influence of society upon its formation.[120] I do this to establish that individuals need certain social conditions in order to develop fundamental capacities of their human

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[118] See D.D Raphael and A.L. McAfie's introduction to their authoritative edition of the *Theory of Moral Sentiments,* pp. 20 – 25. Others who have made this argument are Young in his *Economics as a Moral Science*, chap. 1, and Griswold in chap1 of his *Adam Smith and the Virtues of the Enlightenment*.

[119] In this, I am expanding on Phillipson's contention that Smith develops Hume's insights into the cognitive process that make it possible to live socially in a more systematic and broader way than Hume himself. See Phillipson, p. 70.

[120] Since Smith is trying to found morality upon our nature, the question of what weight he gives to innate human propensities or to socialised impulses as the determining factor in our behaviour is important for deducing whether his account of morality ends up in some sort of relativism. The debate is vigorous. Christopher Berry is adamant that Smith is relying on a universal conception of human nature and thus his account of morality has a non-relativistic core. Nicholas Phillipson holds that morality is relative to 'the world to which we belong' (157). Stewart Justman in his *Autonomous Male of Adam Smith* (Norman and London: University of Oklahoma Press, 1993) strongly argues that moral rightness has no other base than society's views, 86 – 92. Fonna Forman also fears this to be the case in her discussion of how a Smithean moral actor could deal with pluralism, but save it by arguing for a common conception of harm.

nature. In chapter four, I will argue that society must provide these conditions, as a matter of justice, and Smith's notion of justice allows for this interpretation.

I will investigate the innate faculties and passions which Smith takes as common to all individuals, and the role of socialisation in their development and expression in this chapter. In particular I will look at the process of sympathy as characteristic of the sociable animal. I will compare Hume's treatment of these faculties and processes with Smith's to argue that Smith provides a more detailed account which explains more phenomena and matches human experience in a more convincing way. The comparison is a precursor to explaining why Smith's account of justice is broader than Hume's account.

This chapter will be divided into two main sections. Section 2.1 will examine Smith's account of human psychology and the development of our various capacities. It will demonstrate Smith's beliefs about the deeply socialised nature of human psychology by examining his principles of human psychology under three categories: faculties, instinct, and passions. Under 'faculties', I will discuss particularly reason and imagination, both of which are important for understanding and judging others. Smith's faculty of reason operates in different manners and in conjunction with other functions. Its most important expression is judgement which plays a prominent role in the process of morality. I will argue that Smith's account of judgement in this process is an expanded or substantive one, akin to Horkheimer's description in *Eclipse of Reason*. Smith has a developmental view of judgement and holds that it is developed or impaired by the individual's quotidian experience. Once we understand Smith's view of reason and that he realised certain conditions are necessary for its development, we are

on the road to responding to Horkheimer's first criticism – that reason becomes narrowed under a capitalist society.

Section 2.2 will examine the role of sympathy in mutual understanding and moral judgement in Smith. Sympathy, as Smith describes it, is a process that underscores the importance of socialisation to the development of that most human of characteristic – the ability to be moral. He does not use 'sympathy' in the normal sense to mean pity or compassion with sorrow. Rather, he uses it to refer to the process of empathy by which we understand another's position. Smith grounds sympathy in our human faculties and instincts. I will compare Smith's version of sympathy to that of Hume, arguing that Smith's version has a greater role for the imagination. This difference provides for the possibility of empathising with a wider circle of people, unlike Hume's version which describes sympathy as a form of contagion, that is, the unreflective mimicking of another's feelings.

2.1 Human Nature

For Smith, what motivates human action and choice can be found in the nature or psychology of man. Natural faculties and instincts are the basic principles by which we can explain why individuals make the choices they do. Smith, following a view that was common during the Enlightenment period assumed that human nature was constant and uniform in its operating principles.[121] By virtue of this constancy, human nature was predictable which

[121] See Christopher J. Berry, 'Adam Smith's "Science of Human Nature"', *History of Political Economy*, 44 (2012), 472 – 492 for a discussion.

meant that it could be scientifically understood. It is upon this supposition that Hume sets out to establish a science of human nature, as he tells his reader in the introduction to his *Treatise*.[122] Smith alludes to this science of human nature in TMS when describing Hobbes' moral theory, but added that Hobbes wrote when 'the abstract science of human nature was but in its infancy'.[123] This implies that Smith regarded the science to have been more advanced in his own day. In these principles of human nature, Smith finds an explanation for human motivation upon which he elaborates whenever he needs to explain a process he is interested in; for example, how one comes to moral judgement in the *Theory of Moral Sentiments*, or the development of the division of labour in the *Wealth of Nations*, or even, in his youthful essay on Astronomy, why humans like theorizing. Smith examines ordinary life to discover these principles. Lisa Herzog argues that Smith was a deist, and this was the foundation that justified his examination of ordinary life. For if a creator formed us, then 'Nature has given human beings sentiments that enable them to live their ordinary lives in ways that can be normatively endorsed.'[124] Based upon this, Smith is justified in discovering natural motivations in human life. Perhaps Smith was a deist, but I am not convinced that his justification for discovering principles of human nature by an examination of ordinary human life need rest upon his religious belief.

Smith was familiar with other accounts of human nature. He discusses several of these at the end of TMS and gives his reasons as to why he found them

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[122] See the introduction xiii – xix.
[123] TMS, VII.iii.2, p. 319.
[124] Lisa Herzog, *Inventing the Market: Smith, Hegel and Political Theory* (Oxford: Oxford University Press, 2013), p. 24.

unsatisfactory.[125] His major complaint about these other descriptions of human nature was that they were too simplistic or reductionist. He decried the tendency of philosophers to reduce all explanation to one principle. Hobbes, Mandeville, and Hutcheson were all guilty of this.[126] Each thinker tried to explain all human behaviour by appealing to one trait. The result was that the account of human nature was either incomplete, or misrepresented what was actually the case. Smith believed that human motivation was more complex than simple appeals to self-interest, utility or benevolence could account for. His own account of human motivation is a rich description of the interaction between the faculties and passions of the individual and their surrounding society. The influence goes both ways. The individual also affects their society.[127]

2.1.1 Principles of Human Nature

Since the *Theory of Moral Sentiments* deals with the mechanics of moral psychology and how we come to make or hold a moral judgement, it is not surprising that the term 'human nature' crops up here most frequently, but Smith also uses the term in the *Wealth of Nations* (four times – mainly in explaining the division of labour) and scattered through his collection of philosophical essays. Smith primarily uses the term 'human nature' to refer to what we would call today

[125] TMS, VII.ii – iii, pp 266 – 327. Smith alludes to both ancient and contemporary accounts, and discusses some of the named philosopher in detail in his summary of different moral positions.
[126] See his condemnation of Hobbes' reduction of morality to self-preservation, (TMS, VI.iii.2), of Mandeville's reliance on the selfish passions at TMS VII.ii.4, and Hutcheson's reliance on benevolence at TMS, VII.ii.3, pp 303 – 305.
[127] I will discuss the effect of individuals on the formation of institutions in the next chapter.

'human psychology'. It is in these terms that Smith explains human motivation, that is, what drives humans to make certain choices in moral or business settings.

The term 'human nature' is referred to most frequently in the *Theory of Moral Sentiments* – fifty -five times. It is used mostly to refer to those psychological characteristics Smith takes to be peculiar to humans. He lists reason and speech as particular to humans and not non-human animals in the passage below from WN, and implies that the capability to make moral judgements was another. Smith never explicitly sets out to distinguish mankind from other animals. In this memorable instance in the *Wealth of Nations*, he compares humans and animals to support his contention that bartering is a human trait.

> Whether this propensity [to barter] be one of those original principles in human nature, of which no further account can be given; or whether, as seems more probable, it be the necessary consequence of the faculties of reason and speech, it belongs not to our present subject to enquire. It is common to all men, and to be found in no other race of animals, which seem to know neither this nor any other species of contract.[128]

Smith speculates that bartering could be an innate trait but on the whole thinks it rests upon our faculties of reason and speech. He finishes the discussion by looking at the case of two greyhounds hunting down the same hare. From the outside they appear to co-operate, but in reality this is not so. 'Nobody ever saw a dog make a fair and deliberate exchange of one bone for another.' [129] Only humans have the capacity to do so because only they have the various faculties necessary to do so. Smith explicitly mentions speech and reason as faculties that distinguish humans from animals which enable activities specific to us, (e.g.

[128] WN, Bk I, chp. 2, p. 25.
[129] WN, Bk 2, p. 26.

bartering or persuading),[130] but implicit in his description of exchanging bones is the notion of fairness. Humans, in distinction to dogs, can 'make a fair and deliberate exchange' in the act of bartering. Not only do humans act deliberately, by which Smith seems to mean self-consciously, but they do so by a set of values. These set of values determine the standard for 'fairness' and the ability to apply these values and modify one's behaviour accordingly is an integral part of human interaction.

We can conclude from Smith's comparison between the greyhounds and humans in WN that he considers certain faculties and abilities as tied to human nature; speech, reason, and the capability to make moral judgements. Smith deals specifically with the nature of virtue and how we come to make moral judgements in the *Theory of Moral Sentiments* and it is clear that he regards the capability to be moral as a defining characteristic of being human in this text. The *Wealth of Nations*, on the other hand, is often tied to our ability to make prudential judgements, so it is interesting that early in this book Smith notes a concern with fairness as a distinguishing characteristic between humans and animals. In fact, in WN, Smith notes that economic activity and competition must occur within the bounds of justice which lends support to the idea that the actor must act within the moral constraints delineated by TMS. [131]

The majority of Smith's references to human nature are in relation to various passions that drive our actions or that need to be modified by other passions, or that explain why humans behave in a certain manner. The remaining

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[130] TMS, VI. iv, p. 336

[131] See WN, IV.ix, p. 687. 'Every man, *as long as he does not violate the laws of justice*, is left perfectly free to pursue his own interest in his own way, ...' [my italics].

references are fairly equally split between references to 'principles of human nature' (by which Smith seems to mean characteristics of human nature that explain how and why we act), and a set of references that point to various weakness in the human character; fear of death, lack of self-command over violent emotions, and susceptibility to melancholy.[132]

The very first principle of human nature that Smith refers to is found in the first sentence of TMS. 'How selfish soever man may be supposed, there are evidently some principles in his nature, which interest him in the fortune of others, and render their happiness necessary to him, though he derives nothing from it except the pleasure of seeing it.'[133] It is our nature to be social. We are interested in other human beings, not simply for prudential reasons, but because we are sociable. This sociability, for Smith, is more than being interested in the lives and fortunes of others. It reflects the importance of other humans to us, both psychologically and as the means by which we develop our faculties and instincts. The various faculties, passions, and instincts that make up human psychology are all formed to a great degree by socialisation, which Smith observes makes us 'formed [...] for society.'[134] Smith refers to the principles of human nature as, variously; faculties, appetites, instincts, desires, passions, and inclinations. These describe three distinct aspects of human psychology which I categorise as faculties, instincts, and passions. These are developed and shaped by socialisation.

[132] TMS, I.i.2, p. 13, TMS, I.i.5, p. 25, TMS, Vii.ii.1, 287.
[133] TMS, I.i, p. 9.
[134] TMS, I.2.6, p. 116.

2.1.2 Faculties

Faculties refer to capacities that are innate to all humans and which are developed through socialisation. Smith's use of the term is clear and consistent unlike his use of the other terms. He mentions the word 'faculty' 24 times and 'faculties' 15 times in TMS. 'Faculty' or 'faculties' signifies a capacity or capability of human beings. It occurs most frequently to describe 'a power [...] in the mind,'[135] for example, the faculties of imagination, speech, and reason, (or judgment), but it can also refer to physical capabilities such as seeing, hearing, or taste. Smith discusses the physical capabilities in his essay 'Of the external senses' where he is careful to distinguish between the organ and its activity. He recognises that the organ is necessary for the activity but that the activity or functioning of the organ is developed through experience. This is particularly true for sight. The eye is necessary for seeing, but sight is a capability that is developed through experience. Smith gives the example of a young man, blind from birth, who, after a cataract operation at the age of thirteen, sees again. Upon seeing, it takes the young man about a year to learn to distinguish depth and proportionality.[136] The importance of experience on the development of our capabilities is even more evident in the treatment of the faculties that are related to the human mind.

[135] TMS, VII. 1, Of the questions which ought to be examined in a theory of moral sentiments, p. 265.
[136] This account is found in EPS, pp 158 – 161.

2.1.2 (i) Speech

The faculties allow for communication, co-ordination and co-operation between humans. They are developed through interaction with other humans. The primary mode of communication is speech. Smith describes speech as 'the characteristical faculty of human nature',[137] one not observed in animals, and speculates that it may be driven by 'the desire of being believed, of leading and directing other people, [which] seems to be one of the strongest of all our natural desires.'[138] Smith connects the faculty of speech with a desire related to our sociable instinct, a desire of getting others to accept one's views, or to lead others.

In his essay 'Considerations Concerning the First Formation of Languages', Smith traces the origin and development of language to the need of humans to co-operate to meet their needs. He conjectures that language started when two savages met and needed to make their mutual wants known to each other.[139] As humans develop more complex needs, so they develop the more abstract parts of language. Thus, prepositions, which are 'the most general, and abstract, and metaphysical' of all the parts of language, were probably the last invented.[140] Smith argues that they developed when people of two different nations interacted (either through conquest or migration) and were forced to learn each other's language. Finding the declensions and conjugations of each others' language 'too perplexing', they would endeavour 'to supply their ignorance of these, by whatever shift the language could afford them.'[141] They would supply

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[137] TMS, VII. iv, p. 336.
[138] TMS, VII. iv, p. 336.
[139] *Lectures on Rhetoric and Belles Lettres*, p. 203.
[140] LRBL, 212.
[141] LRBL, p. 220.

their ignorance of declensions by the use of propositions.[142] Language begins with the interactions of humans, and develops in response to changing circumstances. But Smith, as noted above, holds it is a faculty characteristic to humans. This implies there is some innate capacity in humans that enables us to be language using creatures. The faculty of language is a combination of natural propensity and socialisation. Smith refers to this combination when discussing how humans moved from words that individually named each phenomenon to more abstract words that encompassed many expressions of similar phenomena. Humans did so because 'men found themselves partly compelled by necessity, and partly conducted by nature, to divide every event into what may be called its metaphysical elements.'[143] Nature and circumstance interact to create particular manifestations of a faculty. Language would be different under different historical circumstances.

Interestingly, in the above quote, Smith firmly links language with mind. Language becomes more complex while the human mind becomes more capable of abstract thought. Eric Schliesser has highlighted this and argues that Smith's account of human nature in general points to 'to the developmental interplay between the propensities of human nature'.[144] In the essay on the first formation of languages, Schliesser claims that Smith is describing how 'mind and language

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[142] Smith gives the example of a Lombard, unable to speak Latin, attempting to communicate that a particular individual was from Rome. Being ignorant of the complexities of the genitive and dative cases of the word *Roma*, he would naturally express himself by prefixing the prepositions *ad* or *de* to the nominative, and instead of *Roma* would say *ad Roma* or *de Roma*. He concludes his example with the observation that present day Italians, (descendents of the ancient Lombards and Romans) express all similar relations thus. As above.

[143] LRBL., p. 218.

[144] Eric Schliesser, 'Reading Adam Smith After Darwin: On the evolution of propensities, institutions and sentiments', *Journal of Economic Behaviour & Organisation*, 77 (2011), 14 – 22, p. 14.

co-develop over time.'[145] Each influences and develops the other is a reciprocal fashion. In this portrayal, the development of a human faculty is complex, with many possible variables in both the social circumstances and natural propensities interacting in different ways to produce the particular expression of the faculty in a historically specific expression.

From this description, it is evident that Smith holds we are deeply sociable beings and our psychological faculties facilitate our interaction with each other. Both the moral activities of TMS and the economic of WN are based on those faculties that allow us to interact with one another.

2.1.2 (ii) Reason

Smith takes the ability to make choices for one's life as fundamental to the individual. It is a natural capacity, based on our faculty of reason, which can be developed or stunted by the education and life experience of the individual.[146] In WN, he appeals to it as a basic principle of his economic system, both in terms of efficiency and in terms of its moral worth. Individuals use their judgement to improve their lot, to earn a living, or to live as they see fit. In Book II of WN,

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[145] As above.

[146] Certainly we can argue that Smith believed all men have the same innate capability to use reason. With regard to women, it is not so clear. While Smith says nothing directly one way or the other, the examples he gives of poor or weak character in men is frequently couched in terms of the feminine; describing a man who gives way to emotion as weak and womanish, of effeminate instead of firm character; and describing women as particularly capable of fine feeling but that men are the more active and generous. See Lucinda Cole, '(Anti)Feminist Sympathies: The Politics of Relationship in Smith, Wollstonecraft, and More', *ELH* 58 (1991), 107 – 140, or Kathryn Sutherland, 'Adam Smith's Master Narrative: Women and the *Wealth of Nations*', in *Adam Smith's Wealth of Nations: New Interdisciplinary Essays*, ed by Stephen Copley and Kathryn Sutherland (Manchester: Manchester University Press, 1995). Justman provides a more complex picture, arguing that Smith was aware (and troubled) that the commercial values he advocated (conformity, diligence, seemliness and political quietism) were feminine. See his book *The Autonomous Male of Adam Smith*.

individuals are described as buying and selling as they see fit, and Smith argues, people's choices ought not be curtailed by government interference. He castigates the sumptuary laws as 'the highest impertinence and presumption [...] in kings and ministers, to pretend to watch over the oeconomy of private people, and to restrain their expenses either by sumptuary laws or by prohibiting the importation of foreign luxuries.'[147] Smith holds that the common person is as capable as the noble in minding her own interest. She can, and ought not be hindered in making choices for her life. In this instance, Smith is condemning the moral iniquity rather than the economic inefficiency of frustrating people's choices. This example provides further evidence that Smith is taking the moral character described in TMS to operate in the economic framework of WN.

Freedom of choice also has an economic benefit, and this is what Smith focuses on in WN. Trade increases to the benefit of all where individuals are allowed liberty to follow their judgements. There is material advantage in giving individuals freedom to act on their judgements, to choose his occupation 'as he thought proper and to change it as often as he thought proper'.[148]

Equally or more importantly, judgement allows us to choose goals for our life, to determine what is a valuable way to live a life. Smith reiterates several times in both TMS and WN that the individual is 'fitter to take care of himself', his family and his community, and that 'it is fit and right that it should be so.'[149] Smith highlights the value of judgement in accomplishing this with examples of where such judgement was not well exercised. In TMS, he points to the poor

[147] WN II. Iii, p. 345.
[148] WN I.x.a, p. 116.
[149] TMS II.ii, p. 82. See also TMS VI.ii.1, p. 219 and TMS VI.ii.2, p. 227. Also WN II.iii, p. 343.

man's son who rejects his father's house and life, to toil for frivolous material superfluities at the expense of his peace of mind.[150] More worrisome is the general confusion caused to our moral judgement by the human propensity to admire the rich and famous, and to ape their lives.[151] These examples indicate that Smith regarded judgement as an important human capability. Where this capability is lost or damaged beyond hope of recovery, Smith believes anyone with the least spark of humanity would regard it as a calamity and feel pity for the individual so afflicted.

> Of all the calamities to which the condition of mortality exposes mankind, the loss of reason appears, to those who have the least spark of humanity, by far the most dreadful, and they behold that last stage of human wretchedness with deeper commiseration than any other.[152]

From the above quote, it appears that Smith regards reason as a significant characteristic of our human nature. Where it is lost, the individual is in the 'last stage of human wretchedness'. Indeed, it is necessary for the most human of activities, moral judgement.

It is interesting to note that Hume gives less weight to the role of reason on human behaviour. He argues provocatively that reason can never provide a motive to the will,[153] and much of his discussion of reason is concerned in debunking its reach; it cannot give rise to an original idea,[154] it cannot give us evidence that cause is necessary to every beginning of existence,[155] nor can it assure us of the

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[150] TMS, IV.1.7, p. 181 – 182.
[151] TMS, I.iii.3, p. 61 – 66.
[152] TMS, I.i.1.11, p. 12.
[153] *Treatise*, p. 414 and 457.
[154] *Treatise*, p. 164.
[155] *Treatise*, p. 157.

continued existence of a body.[156] Hume's reason is limited in its operations. Its job can be divided into 'the comparing of ideas and the inferring of matters of fact'.[157] These operations are performed in three areas of human thinking; that of knowledge, proofs and probability. He defines knowledge as 'the assurance arising from the comparison of ideas', proof as 'those arguments, which are derieved from the relation of cause and effect, and which are entirely free from doubt and uncertainty', and probability as 'that evidence, which is still attended with uncertainty.'[158] These operations occur within a framework of meaning determined by our instincts and emotions. In a section discussing the reason of animals in Book I of the *Treatise*, Hume argues that 'beasts are endow'd with thought and reason as well as men.' In observing the behaviours of a dog, Hume argues that we can deduce it actions and responses as inferences from repeated experience; a process similar to our own thinking. Hume concludes 'reason is nothing but a wonderful and unintelligible instinct in our souls, which carries us along a certain train of ideas and endows them with peculiar qualities, according to their particular situations and relations.'[159] Reason is a form of thinking related to mechanical activities, naturally limited in its scope. It does not appear to be developmental or open to broadening through socialisation, unlike Smith's version.

In relation to morality, Hume emphasises the pre-eminence of the passions as the determiners of our actions. Reason does not have a role in determining our moral goals. It 'is and ought only to be the slave of the passions, and can never

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[156] *Treatise*, p. 193.
[157] *Treatise*, p. 463.
[158] *Treatise*, p. 124.
[159] *Treatise*, Bk I.iii, chp xvi, p. 176.

pretend to any other office than to serve and obey them.'[160] However, Hume recognises that we do often attribute our choices to the action of reason, but this, he concludes, is because we often confuse our calm passions with the operation of reason. He argues that 'calm desires and tendencies, which tho' they be real passions, produce little emotion in the mind, and are more known by their effects than by the immediate feeling or sensation.[...] When any of these passions are calm, and cause no disorder in the soul, they are very readily taken for the determinations of reason'.[161] Hume's explanation is that certain passions, though less agitating than violent passions, are of a steady and entrenched nature such that they provide a more powerful emotional motivator. But beside the violent emotions, their presence pales and thus their influence in determining the final outcome is attributed to reason rather than to their existence in the individual's breast.

Smith had read, and was familiar with Hume's views on reason and human motivation. Smith incorporated many aspects of Hume's account into his own discussion of morality, but modified them in distinctive ways. Like Hume, Smith rejects a voluntarist account of morality. He offers a sentimentalist account, but, unlike Hume, Smith's discussion of morality allows a role for reasoning, or perhaps emotions informed by reasoning. It is likely Smith was influenced by Butler in this. Butler holds that our instincts and appetites are good, and do not lead us to pursue evil in itself. He argues that reason alone is not enough to

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[160] *Treatise*, Bk II.iii.3, p. 415.

[161] *Treatise*, Bk II.iii.3, p. 417. Hume's distinction has given rise to some debate since Hume's definition of passions is our awareness of their presence. Katherina Paxman gives a good summary of the problem and offers an interesting resolution in her article 'Imperceptible Impressions and Disorder of the Soul: A Characterisation of the Distinction Between Calm and Violent Passions in Hume', *Journal of Scottish Philosophy*, 13.3 (2015), 2665 – 278.

motivate us, but he does not go as far as Hume. This is illustrated in Sermon VII where he discusses the role and value of resentment for proper social integration.[162] I will examine Smith's use of resentment when I discuss his views on justice in chapter four.

Smith uses the word 'reason' in several senses. He most frequently uses the word to refer to explanations for something, for example, '[i]t is for the same reason that to cry out with bodily pain, how intolerable soever, appears always unmanly and unbecoming'.[163] He also uses it to refer to the faculty of reason, which Smith considers a uniquely human capacity. When referring to the faculty of reason, Smith may mean any one of several different kinds of operation (types of reasoning) that this faculty can engage in. It can perform basic cognitive operations such as inferring or deducing. It makes connections or sees patterns in a regular or logical fashion. We can see this function in Smith's description of the development of moral rules;

> [t]he general maxims of morality are formed, like all other general maxims, from experience and induction. We observe in a great variety of particular cases what pleases or displeases our moral faculties, what these approve or disapprove of, and by induction from this experience, we establish those general rules. But induction is always regarded as one of the operations of reason.[164]

In this case, reason is a cognitive skill which involves making inference from particular instances to a general rule, with reference to the moral feeling in regard

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[162] See Terence Penelhum's lucid account of Butler's views in his book *Butler*, The Arguments of the Philosophers Series, ed by Ted Hoinderich (London: Routledge, 1985).
[163] TMS, II.ii,1, p. 29.
[164] TMS, VII.iii.2, p. 319. See also TMS, III.4 for a more extended description of the formation of moral rules.

to the experience. I shall argue in the next section, however, that these moral feelings are created over time and through repetition and socialisation.

Smith also uses the term 'reason' to refer to more complex operations of deliberation, analysis, or criticism. These operations often involve a variety of steps and skills. In these cases, he frequently refers to this type of operation as 'judgement'. He connects this activity to the faculty of reason when describing Plato's system of morality in Book VII of TMS.

> The first [part of the soul] is the judging faculty, the faculty which determines not only what are the proper means for attaining any end, but also what ends are fit to be pursued, and what degree of relative value we ought to put upon each. This faculty Plato called, as it is very properly called, reason, and considered it as what had a right to be the governing principle of the whole.' [165]

We can observe in this instance the Smith believes the forms of thinking that we have distinguished by the term 'judgement' are an operation of the faculty of reason. We should note here, that Smith, though he does not draw the distinction in his texts himself, distinguishes between the faculty of reason and its operations. This distinction can be inferred from his bemoaning the corruption of individual's judgement through exposure to poor standards in society,[166] and to his dismay at the diminution of the faculty due to the labourer's exposure to monotonous and limited work under the new commercial system.[167] Smith tries to offer remedies to

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[165] TMS, VII.ii.1, p 267.

[166] See, for example, his complaint about the effects the admiration of the rich have on our good judgement in TMS I.iii.3.

[167] See WN, V.i, p. 788.

both of these problems that he identifies, and I will discuss them in the following two chapters respectively.

Individuals use the third form of reasoning (judgement) in a wide variety of settings that involve interaction with other humans; social, moral, and economic. It is this particular operation of reason that I am interested in for it is a fundamental human capacity and one that plays an important role in Smith's account of morality. This version of reasoning is compatible with Horkheimer's concept of 'substantive reason' discussed in the last chapter. At one level, when Smith refers to this type of reasoning, we can see that our judgement may be instrumental in that it serves an end determined by our passions and instincts, for example, the desire to better one's condition. On the other hand, Smith sees that individuals *can* judge between a variety of life goals to determine the best goal by which to direct their lives. This implies that the capacity of judgement allows the individual autonomy to choose the direction of our lives in so far as this capacity has developed under reasonable circumstances and has not been damaged through poor education, socialisation under limited circumstances, or engagement in repetitious tasks. The significance of socialisation for the development of the capacity to reason is underlined by Weinstein, who argues that Smith provides an account where human experience creates a framework for rationality. [168] I believe Weinstein's interpretation is largely correct, and I will argue later in the chapter that socialisation plays a large role in the development of the individual, in meeting her psychological needs and in developing her capacities. This is

[168] Weinstein offers a systematic categorisation of the different types of reasoning his book *Adam Smith's Pluralism*. They include categories that are similar to my own distinction between the basic activities of reason, and judgement, as well as noting that reason is sometimes used as a synonym for arguments or philosophy, pp 115-116.

necessary for me to pursue the argument that Smith believed society owed more to the individual than merely protection person, property and the enforcement of contracts.

Smith's view of judgement as socially developed is significantly different to Hume's discussions of reason. Hume does not describe the development of the skills of reasoning nor of standards of judgement. He does not place its action in a social framework or discuss how life experience and human interaction affect it. While assuming that humans are learning creatures, Hume does not describe the process. His description of reason is of a discrete and hard-wired capacity. There he misses the significance of socialisation to the development of reason, and thus of the potential it allows for an individual to differ in judgement. Smith's account of the operation of reason is more diffuse and open to development than Hume's. It plays a role in the moral process of sympathy through the development of second order desires. For Hume, moral distinctions are founded on our sentiments and he rejects the notion that reason could provide any input to such a motivating arena as morality. In the case of the artificial virtues, Hume allows a role for reason in creating rules that, after socialisation, will evoke a feeling of duty in the individual, but reason plays no role in determining the life goals of an individual.

For Smith, the faculty of reason is important for the moral process where it is closely tied to the comparing and judging of emotions. The precise role of reason, however, in the moral process is open to debate, given Smith's insistence on the primacy of sentiments in the determination of morality.

Maria Carasco argues that Smith's moral system could be seen as a theory of practical reason rather than a sentimentalist theory.[169] This allows Smith to introduce impartiality and universality as preconditions of moral judgement. Carasco holds the Smith's impartial spectator is a metaphor for the faculty of Judgement, and concludes that it is not our brute sentiments that distinguish between good and evil, but our sentiments informed by the impartial spectator.[170] In a later paper, she gives a detailed description of the development of judgement which she aligns with practical reason and the psychological ability of self-command (as opposed to the virtue of self-command).[171] She notes that Smith describes the operation of reason in morality as a form of second order desire, that is, desires with rationality infused within them, desires that can stand back from their 'immediate appetites in order to discover what we 'desire to desire', according to a comprehensive view of our situation.'[172] Carrasco holds that these second order desires are infused by a form of rationality or deliberation because they perform work in relation to the first order desire.

Carrasco's description of second order desire's infused with rationality seems to capture Smith's thoughts in WN on our human proclivity to work steadily to a greater end goal while eschewing the lures of more immediate pleasures. It is further illustrated in his rejection of his contemporaries' belief that poor workmen have a propensity to drink their wages. Smith denies that this is commonly the case. It may happen occasionally, but the more likely danger is that

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[169] See her article 'Adam Smith's Reconstruction of Practical Reason', *Review of Metaphysics*, 58 (2004), 81 – 116.
[170] Carrasco, 2004, p. 94.
[171] See her 'Adam Smith: Self-Command, Practical Reason and Deontological Insights', *British Journal for the History of Philosophy* 20 (2012), 319 – 414.
[172] See above, p. 393.

a workman, if paid by the piece, will overwork himself in an attempt to increase his profit.[173] Self- command, which Carrasco ties to reason, intervenes and habitually overrides our first order desires (to drink our wages). Carrasco argues that Smith relies on a practical rationality in his account of morality; 'second order desires are possible because of rationality', she argues. 'They are desire, but they also include a moment of rationality evaluating, guiding, modulating and directing them towards the object we have autonomously chosen.'[174] On this reading of Smith's faculty of reason, Carrasco sees it infusing desires (at least, second order desires), or as a form of desire or passion itself, perhaps a 'calm passion', as Hume had it.[175] Thus reason operating as judgement involves close work with the emotions. In the moral process, it involves weighing them up, considering their appropriateness, modifying them if necessary, and evaluating them in a variety of actors and recipients in complex cases.

Hume's discussion of reason can be traced to a desire to reject the rationalists account of morality. He comes at the end of a debate about the role of God in morality that pitted the voluntarists (who believed that God was infinitely removed from us in perfection and thus the only appropriate response was humble obedience to God's commands) against the anti-voluntarists (who believed that God was a loving father who thought of morality as we do and who ensured we lived in a world hospitable to our endeavours). For the former, reason was the basis for our moral nature, for the latter, it was some version of natural

[173] See his defence of better wages at WN, I.viii, pp 82 – 104.
[174] Carrasco, (2012), 393 - 4.
[175] Hume, *A Treatise of Human Nature*, Book II, Section III, p. 417.

sentiments.[176] Though agreeing with the latter that the sentiments were the spring for human morality, Hume confounded the debate by removing the necessity of God from morality at all. Our natural sentiments can do all the necessary work. He argues that reason is at best instrumental and has no influence on morality and no role for the individual in choosing life goals.[177] It appears to be a more mechanical operation than Smith's, one that is not developed or influenced by socialisation. Even in the development of artificial virtues, reason acts in an instrumental manner and so Hume's individual appears less capable of autonomy than Smith's. This is compounded by Hume's mimicking or 'contagion' account of how we catch other's feelings 'without cognitive or critical processing', which leaves less room for independent thinking.[178]

Smith regards reason as a faculty, something innate to all humans, but its expression or development depends upon the kind of socialisation we undergo. I argue that Smith regards the faculty of judgement as a very important aspect of our humanity. Where this faculty is damaged or has deteriorated, Smith describes the unfortunate individual as 'mutilated and deformed in a still more essential part of the character of human nature.'[179] This recognition of the importance of judgement to individuals, and of the damage that may be done to it by different

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[176] Locke, Pufendorf and Hobbes are counted as voluntarists and Shaftesbury, Cudworth, Clarke and Hutcheson are on the opposing team. Schneewind gives a good overview of the ins and outs of this debate in his *Invention of Autonomy* (Cambridge: Cambridge University Press, 1998).

[177] See Book III, Part iii, Section 3 of the *Treatise* for Hume's rejection of the idea that reason can influence the will. See Terence Penelhum's discussion of reason's role in motivation as merely instrumental in his article 'Hume's Moral Psychology', in *The Cambridge Companion to Hume*.

[178] I will compare Hume and Smith's different notions of sympathy in a later section of this chapter. Elias Khalil discusses the significance of Smith and Hume's differing account of emotions, believing that Hume's less mediated emotions lead to the possibility of mob rule, rather than autonomous moral choice. See 'The Fellow-Feeling Paradox: Hume, Smith and the Moral Order', *Philosophy*, 90 (2015), 653 – 678, p. 654.

[179] WN, V.i.f, p. 788. Smith is adding that the use of one's rational faculty is more essential to one's humanity than a martial spirit (courage), which Smith also regards as necessary for a properly developed character.

institutions or processes in society echoes Horkheimer's concern about the damage done to our capacity for substantial judgement under capitalism. Smith considers the issue important enough to recommend the state be concerned and work to ameliorate the problem.[180]

2.1.2 (iii) Imagination

Smith uses the terms 'imagine' and 'imagination' most frequently in TMS, but 'imagination' appears almost as frequently in EPS, mainly in his 'History of Astronomy' essay where Smith uses it in place of what we today would call 'mind'. In this essay, Smith is attributes the human propensity to theorise to our imagination which meets our craving for order and predictability in our understanding, in this case, the movements of the planets. Imagination is a capacity of placing events in an order so that they appear understandable to the individual. When this is achieved, we feel pleasure.

> When the world beheld the complete, almost perfect coherence which the philosophy of Des Cartes bestowed upon the system of Copernicus, the imaginations of mankind could no longer refuse themselves the pleasure of going along with so harmonious an account of things.[181]

In this essay, Smith stresses how gaps in our understanding make us feel uncomfortable. Our imagination fills out a narrative from the available facts and information (different in each historical period), to provide completeness and coherence.

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[180] I have looked at Horkheimer's concerns about the effect of capitalism upon reason in chapter one. I shall look at Smith's proposed response to these concerns in the next two chapters.
[181] EPS, p. 97.

In TMS, imagination plays a crucial role in the moral process. It is necessary for understanding the position of the other person. For Smith, moral judgement is always a matter of spectatorship, either through the gaze of real spectators or through that of an imagined spectator. When an individual comes upon a situation she wishes to judge of (whether this situation be enacted in front of us or in the imagination by virtue of an historical or friend's account), she imagines herself in the place of the actor. But what exactly does Smith mean by 'imagining'? How does it bring us to feel what another feels? Smith refers most often to the act of imagining in the first chapter of TMS, dedicated to describing sympathy.

We place ourselves in the situation of the actor in the dilemma by an act of imagination. We imagine how we would feel in such a situation. Where our brother is on the rack, for example, 'it is only by the imagination that we can form any conception of what are his sensations.'[182] The imaginary act of exchange is the basis upon which judgements regarding intention and action are formulated, and in an extended process, it is the basis upon which we learn to judge ourselves and to develop internal restraints upon our passions, these restraints becoming more or less successful parts of our character.

Smith connects the act of imagination closely with our desire and ability to feel what others are feeling (and also our desire that they should feel what we are feeling). It is simply not enough however, to observe the distress, or happiness or fright of another in order to feel what they feel. We must also know the circumstance which gives rise to the emotion. At best, upon observing misery, we

[182] TMS, I.i.1, p. 9.

feel uneasy, but until we find out the reason for it, we do not really feel as the suffer does. At worst, 'before we are acquainted with what gave occasion to [the emotions/actions] serve rather to disgust and provoke us' against the actor.[183] We place ourselves in the position of the party being abused, and find this disagreeable. Until we find out that the person complaining has good reason to sound so bitter, we are not likely to sympathise with his situation.[184] We can imagine ourselves both in the position of the actor and recipient. Sympathy, Smith claims, 'does not arise so much from the view of the passion, as from that of the situation which excites it.'[185] The point to be highlighted here is that this process requires that we know or be in a position to find out information about the other. We need to see or hear of their distress. We need to be able to imagine ourselves in the situation of the actor. This is what allows us to imagine their feelings.

Let us examine what Smith means by 'conceiving what we ourselves should feel in the like situation' or 'changing places in fancy with the sufferer'. We picture ourselves in the other person's situation. But that does not seem to encompass all that Smith means by 'imagining'. He talks about the spectator putting 'himself in the situation of the other, and bring[ing] home to himself every little circumstance of distress which can possibly occur to the sufferer.'[186] We not only visualise the situation, but also keep in mind the circumstances of the person. It is not merely that I imagine myself in your position, but that I imagine myself with all your details in your place. So the image formed is not merely a visual image, but is also composed of the sensations that accompany a certain situation.

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[183] TMS, I.i.1, p. 11.
[184] TMS, I. i, 1, pp 9 to 16.
[185] TMS, I.i.1, p. 12.
[186] TMS, I.i.4, p. 21.

Thus we not only can visualise someone starving but our imagination re-enacts the fear and uncertainty, albeit to a lesser degree, that accompanies being in this position. The result is that while we may, if very sensitive, sympathetically feel some of the physical pains of the individual, we more easily feel the psychological pain, or joy, of the individual. Smith comments on the imagination's ability to recreate psychological states as opposed to physical sensations with more ease.[187] It is this ability to imagine that allows us to pity or empathise with another person.[188]

Smith's account of the faculty of imagination is much broader and flexible than Hume's. In Hume's *Treatise*, imagination is less flexible. It seems to be hard wired, a form of associationism and a converter of ideas into impressions.[189] In this sense, Hume's imagination, limited by 'some universal principles', can only allow us to understand a more limited circle of human lives, those near us, those similar to us, and those who are related to us.[190] Smith's account of imagination allows us to imagine the position of those who are different to us, who are far away from us and even those who are not aware of their own condition. Thus, his description of the operation of imagination allows us to sympathise even with the dead; 'we are chiefly affected by these circumstances which strike our senses, but can have no influence upon their [the deceased's] happiness. It is miserable, we think, to be deprived of the light of the sun; to be shut out from light and

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[187] TMS, I.ii.2, Of the passions which take their origin from a particular turn or habit of the imagination, pp. 31 – 34.

[188] Smith has a specific definition of sympathy as 'fellow feeling with any passion whatever'. TMS, I.i.1, p. 10.

[189] See his discussion on the connecting role of imagination in 'On the Connection of Association of Ideas', in *Treatise*, Bk I, Section IV, p. 10.

[190] Samuel Fleischacker discusses this difference in his chapter, 'Sympathy in Hume and Smith', in *Intersubjectivity and Objectivity in Husserl and Adam Smith*, eds C. Fricke and D. Follesdal (Frankfurt: Ontos Verlag, 2012), 273 – 311.

conversation; to be laid in the cold grave, a prey to corruption and the reptiles of the earth'.[191] Thus we imagine what it is to be dead and this allows us to empathise with these unfortunates. Smith's account of imagination allows us to place ourselves in situations quite alien to our experience. This would be impossible on Hume's account. As I shall examine later in this chapter, this difference means that Hume and Smith's accounts of sympathy will differ significantly.

2.1.3 Instincts

> [T]hough we are in this manner endowed with a very strong desire of those ends [self-preservation, and propagation of the species], it has not been entrusted to the slow and uncertain determinations of our reason to find out the proper means of bringing them about.[192]

While the faculty of reason or judgement is important in many processes, Smith affirms, it is often slow and uncertain in reaching its end. Therefore, Nature has endowed us with 'original and immediate instincts' to guide us.[193] In attributing certain actions to 'instinct', 'original desire,'[194] or 'natural inclination,'[195]Smith refers to hard-wired desires or urges; for example, sociability, self-interest, benevolence, or the desire to be praised. These feelings are strong and consistent motives to action. Smith distinguishes between instincts

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[191] TMS, I.i.1, p. 12. Smith also refers to the mad who are unaware of the sadness of their position, or very sick, young babies whose mothers sympathise with the danger of their position which the babies could not be aware of themselves. In all these instances, we sympathise by imagining ourselves in the actor's position, but with our own awareness in that position. See TMS I.i.1, p. 12.

[192] TMS, II.i, p. 77 (note 10 at the bottom of the text).

[193] TMS, as above.

[194] TMS, I.2, p.116.

[195] TMS V.2, p. 205.

or desires that arise from our body, for example, the desire for self-preservation and reproduction, and those that arise from our psychology. Smith mentions the former briefly but merely to note that they are distasteful to others, or at the very least, matters of fun for company; viz. our desire to eat or our desire for a member of the opposite sex. Smith deals at much greater length with our psychological instincts or desires. Since they are the basis of our moral ability, much space in TMS is given over to these in the discussion of the mechanism of morality. Smith's starting observation in TMS is that 'there appear to be some natural principles in the nature of man that leads to his interest in the fortune of others, though he derive nothing from it except happiness.[196] We are sociable. We are interested in other humans not merely because we need them to supply our material needs, but because nature has endowed us with a curiosity about others, and a need for the empathy of our fellow human being.[197]

Related to this, we possess 'an original desire to please, and an original aversion to offend' our fellow man.[198] We wish to be praised by others. Similar to this, but a separate instinct is that we also wish to be praiseworthy, to be that which society regards as worth praise.[199] Out of these innate impulses, morality is formed. So too is the system of class distinction. The approval that comes with social climbing and class distinction is another possible response to the desire for approbation. It is precisely our deeply social nature that leads to confusion or conflict between our admiration for morally commendable actors and our

[196] TMS, I.i, p. 9.
[197] TMS, I.i.2, pp 13 – 16.
[198] TMS, III.2.6, p. 116.
[199] TMS, III.2, p. 114.

admiration for the rich. Fortunately though for Smith, even this system has its benefits in that it provides stability and structure to society.[200]

In WN, Smith's system of commerce is based on our instinct for self-interest and our desire to better our own condition, a desire that comes from the womb and goes with us to the grave.[201] Once again, it is the instinct which provides the impetus to action, although, as we noted above, it is our faculties that allow us to carry them out most effectively. Does this mean that our instincts blindly drive us? Is reason simply instrumental in achieving the goals set by instinct? The answer to these questions hinges on our discussion of the Impartial Spectator in the next chapter. In so far as reason formulates moral laws based on experience to guide us, it does provide some input into formation of moral values. But since judgement is formed by social convention and laws, this raises the problem of how and whether autonomous judgement is possible.

2.1.4 Passions

The passions refer to the variety of emotions that humans are subject to – jealousy, kindness, anger, resentment, pity. Smith uses the terms 'passions', and 'emotions' to refer to these feelings.[202] These are similar to the terms he uses to describe 'instinct,' for instincts are a type of feeling too, though they are of a longer and more consistent motive to human action. Passions, on the other hand, seem to arise from the circumstances in which the individual finds herself. They

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[200] TMS, VI.ii.1, p. 226.

[201] WN, II, chp 3, p. 341.

[202] *Essays on Philosophical Subjects*, Section I, 'History of Astronomy', discusses the effect of emotions on the human mind and body in the section Of the Effect of Unexpectedness or Surprise.

are something we wish others to share in.[203] Smith refers to emotions, passions, and feelings throughout his description of the moral process. We enter into another's feelings through an act of imagination, and we expect that others will do the same with regard to us. Imagination is a faculty common to all humans. We then make judgements as to the propriety of the other's feelings or actions springing from feeling. We also expect to be judged in a similar fashion by our community.

The standards by which we judge are given by our society, though these are not necessarily unanimously accepted nor are they monolithic. Good moral behaviour is just that behaviour or display of emotions that is approved by the impartial spectator.[204] That is why Smith regards self-command as one of the four cardinal virtues. It is the proper regulation of our emotions and hence allows us the possibility of exercising the other virtues. It 'is not only a great virtue, but from it all the other virtues seem to derive their principal lustre.'[205] Emotions are an important motive to action, but they can also mislead the individual. They are apt 'to drive him and sometimes seduce him to violate all the rules which he himself, in all his sober and cool hours, approves of.'[206] Self-command allows us to stick to our moral principles. Some passions are approved of and some not, depending upon circumstances and situations. As I will discuss in the next section, we are thus socialised to exhibit or restrain certain passions, even to feel certain passions in certain events.

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[203] TMS, I.i.2, Of the pleasure of mutual sympathy. The desire that others share our emotions appears to be an innate instinct.
[204] The impartial spectator is the internalized moral spectator who judges situations impartiality. There is an ongoing debate as to whether the standards she judges by are customary or universal.
[205] TMS, VI.iii, p. 241.
[206] TM, VI.iii.3, p. 237.

Moral judgement is a complex balancing act as the spectator must judge not only the emotion of the actor, but also the emotion of the recipient of the action. Humans are sensitive to one another's emotions, and to successfully negotiate social interactions of any form requires us to develop the ability to 'read' another's emotions. This ability relates to our natural desire to be approved and to acquire the empathy of others.

Smith distinguishes the passions into the social, unsocial, and selfish.[207] Social passions are those which are conducive to friendly relations and harmony; humanity, generosity, and kindness. Unsocial passions, such as anger, resentment, and bitterness usually lead to some form of harm (unless endorsed by the impartial spectator); while selfish passions are simply those feelings concerning ourselves; self-interest, self-betterment, etc. Smith regards these last as neither bad nor good for others since they focus on our own welfare and advancement. In TMS, Smith discusses these feelings under the title of 'Prudence,' whereas in WN they play a much more significant role throughout the book.

In TMS, it is clear that the passions are a natural part of human nature though they need to be subject to self-command in order to be socially and morally acceptable. In order for co-ordination to occur and for our needs to be met (both physical and psychological), humans must develop the ability both to control their own passions and to read the emotions of others.

[207] TMS, I.iii.3-5.

2.1.5 Equality

Smith took the view that human nature operates and is motivated by common principles. This was a familiar view of the period, one espoused by Hume and Spinoza. Cropsey argues that Smith describes 'human nature by reference to how men are rather than what man is, i.e., by the "realistic" conception advanced by Machiavelli'.[208] At base, Smith assumes all humans share a fundamental nature. Cropsey believes that Smith's propounds a common instinct for self-preservation; 'in respect of the essential human urge to live, and the power to take life – all men are equal.'[209] While I agree with Cropsey that Smith grounds a notions of equality in a shared set of human principles, I am not sure that Smith takes one instinct as predominant among the others, particularly given his recognition the influence different social circumstance have on what humans value and how that value is expressed at different times.

It is apparent in TMS that Smith regards faculties to be equally distributed across groups and classes. All humans are equally endowed with the potential to develop them. Smith puts difference in use and expression of these faculties down to differences in education and opportunity. Famously, he notes that the difference between a porter and philosopher seems to arise 'not so much from nature, as from habit, custom and education.'[210] This equality comes out more strongly in his WN where he argues that all individuals are in the best position to know their best interests.

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[208] Joseph Cropsey, *Polity and Economy* (The Neterlands: Nijhoff, 1957), p. viii.
[209] As above.
[210] WN, I.ii, pp 28- 29.

The faculties, for Smith, are the basis for our innate capabilities that all humans are born with; speech, reason, imagination. Some individuals will have more refined or acute faculties. The expression and development of the faculties may be developed or degenerated by the education, employment, or life experiences of the individual. Human institutions such as morality or commerce are developed upon these universal capabilities.

It is not simply education, however, or lack of it which affects the sharpness of our faculties, but also our employment.[211] Thus in the WN, Smith laments the fact that the system of division of labour upon which the generation of wealth depends is apt to stunt the individual's reasoning ability so that they become 'as stupid and ignorant as it is possible for a human to become.'[212] Repetitive tasks dull our judgment and for this reason Smith affirms that farm labourers form better judgement than factory workers.

> His understanding [...] being accustomed to consider a greater variety of objects, is generally much superior to the [mechanic] whose whole attention from morning til night is commonly occupied in performing one or two very simple operations.[213]

Smith recognises the effect of our daily activity on the sharpness of our faculties. Mental acuity is not the natural characteristic of any one group of men. But the kind of labour one group of men engages in might render them duller than those who labour in a different arena. I will argue in chapter five that Smith concedes this is a problem for the labouring poor, and that his own moral theory requires

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[211] 'The understandings of the greater part of men are necessarily formed by their ordinary employments.' WN, V.i.f, pp 781 – 782.
[212] WN V.i.f, p. 782.
[213] WN, I,x,c, p. 144.

this situation be remedied as a matter of justice. Smith suggests that the government is as obliged to take remedial action in the case where reason is systematically impaired as it would be to stem an outbreak of leprosy.[214] This concern illustrates Smith's belief that society has a formative influence on the development and expression of our capacities.

In general, Smith does not view difference between people in terms of wealth or power as inherently bad. Moral equality amongst individuals does not require social equality as a moral imperative (indeed, Smith regards class difference as necessary for social stability). However, where social institutions or practices damage the functioning of a faculty necessary to our peculiarly human activities, Smith is concerned enough to require intervention to alleviate the harm. In chapter four, I will argue that this Smith would have to regard this as a matter of justice.

2.2 Socialisation, Sympathy and the Development of our Moral Sense

Smith views social and political institutions as more or less successful where they rest on natural human faculties and instincts. I argue, however, that these very faculties, are developed by social institutions which provide the training of the faculties, as well as the standard by which to judge and direct the activities of these faculties and instincts. Smith's description of the development of our various capacities supports this view. So, for example, the development

[214] WN, V.i.f, pp 787 – 788.

of the ability to think rationally, and the goal to which rational thinking is directed is determined by our socialisation.

The implication for Smith's view of politics then, is that the conditions under which we are socialised must be of concern to society as a whole. Some social institutions will be better for individuals than others. This description also highlights the significance of the impact different social conditions have in the development and expression of these faculties. Smith argues that certain systems will be more effective than others at promoting human well-being (e.g. a free market as opposed to the mercantile system) because they will work with human nature as opposed to running counter to it. They work best with our peculiarly human faculties and instincts. He does not, however, give an encompassing prescription as to what the best form of social arrangement is, recognising that significant aspects of human behaviour are influenced by culture and history which results in a diversity of good ways to live. By way of example Smith makes comparisons between workers and nobility on the value of prudence, and between native American and Europeans around different levels of display of emotion.[215]

The interaction between the principles of human nature and socialisation are most evident in Smith's description of morality. His discussion of moral psychology in TMS reveals most clearly his understanding of human nature. Smith took from his teacher Francis Hutcheson, a belief that the sentiments have a determining role in moral motivation and the creation of moral rules.[216] He holds that humans are capable of acting selflessly (in opposition to Mandeville's view of morality as self-interest in disguise); and finally, Smith offers a naturalistic

[215] TMS, V.2.3, p. 201, and TMS, V.2, pp 204-205.
[216] TMS, VII.ii.3, pp. 300-306.

account of how we develop our moral values and systems. In section 2.2.2, I will discuss his account of sympathy, which for Smith is a process that leads to moral judgement. We will see that Smith bases morality on certain natural proclivities in human nature – our sociability, our desire to be praised and to be praiseworthy, our ability to empathise or have sympathy, and our faculty of imagination.

2.2.1 Socialisation

The first sentence of TMS indicates Smith's belief that people are by instinct sociable; we are naturally interested in other people's feelings even when there is nothing in it for ourselves.

> However selfish soever man may be supposed, there are evidently some principles in his nature, which interest him in the fortune of others, and render their happiness necessary to him, though he derives nothing from it except the pleasure of seeing it. Of this kind is pity or compassion, the emotion which we feel for the misery of others, when we either see it, or are made to conceive it in a very lively manner.[217]

One of the principles which allows this sociability is the ability to feel another's feeling, and to be affected by their emotion. Particularly strong is our ability to be affected by others' sorrowful emotions. We feel a corresponding 'pity or compassion' once we 'conceive' the suffering of the other in a lively manner. This ability to feel what another feels is facilitated by our faculty of imagination. It allows us to put ourselves in the other's situation, and come to understand it. This understanding forms the basis of moral judgement in the process of sympathy.

We are aware, however, that this interest in others is common to all, and that we are an object of interest to others. This awareness combines with another

[217] TMS, I.i, chp. 1 Of Sympathy, p. 9.

natural instinct, the desire to be approved. Not only are we interested in others and desire to understand them, we also desire to be understood and approved.[218] This reciprocal gaze leads to the development of sets of values and skills within the individual. We know we are observed by others, and we realise that others may not quite feel as strongly as we do about the issue or circumstance in which we are involved. We learn that we must lower our passions to that pitch which 'the spectator are capable of going along with'.[219] This is the beginning of 'self-command', a virtue that Smith argued was necessary for any other development of our character.

Self-command is learnt successively in the family as young children, and then amongst our school peers, until we enter the public sphere with its standards of propriety and custom. The child 'thus enters the great school of self-command, it studies to be more and more master of itself, and begins to exercise over its own feelings a discipline which the practice of the longest life is very seldom sufficient to bring to complete perfection.'[220] We learn, form an early age, what emotions and reactions are proper to different circumstances. We internalise the proper standards and responses through the reactions of our community. It provides the standards of that we value. Should we grow up without human contact, Smith claims, we could not know right from wrong.

> Were it possible that a human creature could grow up to manhood in some solitary place, without any communication with his own species, he could no more think of his own character, of the propriety or demerit of his own sentiments and conduct, of the beauty or deformity of his own mind, than the beauty or deformity of his own face. [...] Bring him into society and

[218] See TMS, I.i.2, where Smith discusses the pleasure of mutual sympathy.
[219] TMS, I.i.4, p. 22.
[220] TMS, III.3, p. 145.

> he is immediately, and he is immediately provided with the mirror which he wanted before.[221]

Society provides the standards that both the individual and any spectator in the street judge by. We learn what is right is what is approved of by the spectator and what is wrong is what is disapproved of by the spectator. The answer seems to be from a combination of natural and social sources. We disapprove of those actions that we, through experience, know will hurt us either physically or socially.[222] The latter shows us how close our conceptions of harm are tied to local social norms. Whether to be animated or restrained in public, what level of physical deprivation should be tolerated uncomplainingly, how one interacts appropriately with members of the opposite sex; these all are determined by the society in which we live. [223]

Smith's description of the development of moral judgement in the individual requires certain conditions. It requires that a child be socialised within a community that is interested in her, provides consistent standards of value and that makes the child aware the eye of the community is watching her. Even as adults, Smith feels that where there is no gaze, or no party interested in our conduct, (as when a country labourer moves to an anonymous city), we are likely to 'abandon [ourselves] to every sort of profligacy and vice.'[224] As Forman-

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[221] TMS, III, 1, p. 110.
[222] TMS, I, i, 1, p. 10. When we see a stroke aimed and just ready to fall upon the leg or arm of another person, we naturally shrink and draw back our own leg or our own arm; and when it does fall, we feel it in some measure, and are hurt by it as well as the sufferer.
[223] TMS, V.2, pp 200 – 211. Carrasco makes a helpful distinction between 'natural' sentiments and 'moral' sentiments where moral sentiments are not the 'brute sentiments' of our nature but are sentiments informed by the impartial spectator – thus developed under socialisation. See her article 'Adam Smith's Reconstruction of Practical Reason', *Review of Metaphysics*, 58 (2004), 81 – 116.
[224] WN, V.i.g, p. 795.

Barzilai argues, 'Smith's account of the moral life should be read as a highly original anthropology of culture formation – thicker, more textured and complex than perhaps any other in the eighteenth century.'[225]

Smith acknowledges that moral capability is developed in intimate circles of family and community. He recognises that not only individual upbringing, but event the type of community, class, and profession set the standard for our values and reasons. We expect that a clergyman will cultivate an 'austere and abstracted severity' that we would not expect of a soldier.[226] While the upper class admire a frivolous generosity and liberty of spirit, the lower orders value industrious and frugal behaviour.[227] While all humans have the faculties, passions, and instincts that allow us to be moral, not all communities will adhere to the same moral values. While certain basic values relating to survival may be common, the expression of values will differ from community to community. We will be most expert at making moral judgements in the community we are socialised into.

2.2.2 Sympathy

Sympathy is a process which allows us to enter the passions of another, understand her and ultimately form a judgement of the other. It is the basis for morality and is based on our natural faculties and inclinations. Smith extends the meaning of sympathy from compassion to mean 'fellow-feeling with any passion

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[225] Fona Forman-Barzilai, 'Smith on "Connexion", Culture and Judgment', in *New Voices on Adam Smith* eds Schleisser and Montes (London and New York: Routledge, 2006), p.89.
[226] TMS, V.2, pp 202 – 203.
[227] TMS, V.2, p. 201.

whatever'.[228] In this sense, Smith is not referring to 'sympathy' as an affective emotion, but as a process of understanding and forming of judgements about the situation or actions of another. Haakonssen has usefully divided the process into four steps: 1. The spectator changes place in imagination with the actor, 2. the feelings that arise in the spectator from this imaginary change, 3. comparison between the original and sympathetic feelings, and, 4. feelings of approval or disapproval, and consequent judgement on the moral status of the feelings or actions of the actor. [229]

Smith sees this process developing from our natural instincts and faculties, starting with our natural sociableness and interest in others. Smith thinks that our ability to feel another's emotions is so obvious that it needs little by way of proof. He appeals to general observations such that we pull in our arm when we see a blow aimed at another's arm, that we feel another's sorrow, or feel itchy in that part of the body upon viewing a beggar's ulcer.[230] He continues:

> That we often derive sorrow from the sorrow of others, *is a matter of fact too obvious to require any instances to prove it*; for this sentiment, like all the other original passions of human nature, is by no means confined to the virtuous and humane, though they perhaps may feel it with the most exquisite sensibility. The greatest ruffian, the most hardened violator of laws, is not altogether without it.[231]

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[228] Smith does occasionally use 'sympathy' in the affective sense. He refers to fellow feeling with the misery of others, and the pity and compassion the sorrow of others evokes. In his discussion of the moral process, however, he uses sympathy in his technical sense.
[229] 1981, chapter 2.
[230] TMS, I.i.1, p. 10.
[231] TMS, I.i, p. 9 (My italics).

Humans are capable of feeling for another human being and we are equipped (to a greater or lesser degree) with the skill of figuring out what another is feeling and of feeling it.

Using the faculty of imagination, we place ourselves both in the position of the actor and recipient and 'bring every little circumstance home' to ourselves. This step demands a lot of the spectator's imaginative ability.[232] But Smith believes that we are capable of this. Because of our desire for mutual understanding, for communion of emotions and for approval, we will engage in this exercise of placing ourselves in another's position, no matter how different their circumstances or position to the individual spectator is. Thus Smith claims that a man can sympathize with the pangs of a woman in childbirth.[233] While some women might want to dispute this possibility, the fact is that Smith believes, with effort, it can be done.[234] While the spectator may not always make the effort to understand those whose life experiences and situations are very different from their own, Smith's account of sympathy leaves open the possibility that we could understand them. This reliance on the imagination and sympathy to provide the

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[232] Hill and Montag emphasise the point that Smith recognises we cannot transcend our bodily limits, that it is only through imagination we come to feel (more faintly) the sensations of another. Thus, they imply the individual is isolated from and cannot know the true feelings of another. However, I believe they place too little emphasis on the sociable aspect of human nature that Smith insists on. We desire communion with others, we desire to be approved and to feel what they feel. We minutely observe others to confirm our interpretations or modify our understanding. Smith is confident that humans, most of the time, will understand or even feel the emotions of others around them. See chapter 2 of their book *The Other Adam Smith* (Stanford: Stanford University Press, 2015) for their provocative reading.

[233] TMS, VII.iii.1, p. 317.

[234] This explanation of morality raises problems when we come to people who have limited imagination, or who lack empathy. Temple Grandan, a high functioning autistic savant, who holds a doctorate in animal science, has written a very interesting description of how she experiences the world and how she became aware that it was not the same experience for the majority of humans. One of the most striking characteristics of her world is that she can readily empathise with cows but not at all with humans. See her book *Thinking in Pictures*, (New York: Vintage Books, 1995)

basis for morally correct behaviour towards those very different from us worries Fonna Forman as being inadequate for forming a common morality in a pluralistic society. Weinstein, on the other hand, argues that a pluralistic society will develop our imagination and judgement to a greater degree.[235]

Step two of the process is emergence of feelings in the spectator by her imaginary change of position. This point has caused confusion, even in Smith's day. Do we feel the feeling as if we ourselves were in the positon, or do we feel it as if we were the other person in that situation? Smith, refuting Mandeville's charge that sympathy is in reality a selfish principle, describes the process of sympathy as follows:

> When I sympathise with your sorrow or your indignation, it may be pretended, indeed, that my emotion is founded on self-love, because it arises from bringing your case home to myself, from putting myself in your situation, and thence conceiving what I should feel in the like circumstances. But though sympathy is very properly said to arise from an imaginary change of situation with the person principally concerned, yet the imaginary change is not supposed to happen to me in my own person and character, but in that of the person with whom I sympathise. When I condole with you for the loss of your only son [...] I consider what I should suffer if I was really you, and I not only change circumstances with you, but I change persons and characters.[236]

Smith in this instance appears to holds that spectator imagines the situation as if she were the other person. The spectator does not simply imagine the same situation happening to her, she imagines it as if she were the other person. This, however, cannot be entirely the case for in step three of the process, the spectator compares her feelings generated from the imaginary change of situations to the

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[235] See her book *Circles of Sympathy*, and Weinstein's book *Adam Smith's Pluralism*, both previously mentioned.
[236] TMS, VII.iii.1.4, P. 317.

actual feelings of the actor observed. There is always the possibility that the feelings I feel, when I imagine myself 'in the like circumstances', will be different to what I observe in the actor. Haakonssen argues that we have to retain some consciousness of the self in this process, since judgement involves the tension between what the other feels and what I would feel in the situation.[237] Darwall emphasises the placing of ourselves in the position of the other to work out what to feel as though we were they.[238] But in doing this, we may still end up feeling differently to the actual emotions displayed by the actor we are observing. The answer, I argue, lies in the self that is doing the imagining. In making moral judgements, the self that does the imaging is the moral self, the one informed by the impartial spectator. This is evident when we examine step four, the comparing of the emotions of the spectator and the actor leading to a judgement that the actor was morally right or wrong.

2.2.3 Forming Moral Judgements

Step four of the sympathetic process refers to the second order feelings that arise in the breast of the spectator upon comparing their feelings from the imagined exchange with the actor with the actor's actual feelings. Where the feelings coincide, this gives rise to feelings of pleasure in the spectator, and leads the spectator to approve the actions or feelings of the actor. Where the feelings do

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[237] Haakonssen discusses Smith's moral theory in chapter 3 of his book *The Science of the Legislator* (Cambridge: Cambridge University Press, 1981), p, 49.

[238] See 'Empathy, Sympathy, Care', *Philosophical Studies*, 89 (1998), 261 – 282 (p. 269). In the same paper Darwall make a useful distinction between empathy and sympathy. He defines empathy as experiencing grief entirely on another's account as from their standpoint, but sympathy is experiencing grief on another's account from my standpoint in appreciation of the other's. Empathy is important for forming communities, but sympathy provides moral motivation.

not coincide, this spectator feels pain and disapproves of the feelings or behaviour as morally wrong.[239] The feeling of pleasure arises from the satisfaction of communion, of understanding and being able to share in the feeling and experience of the actor. Hume missed this point when he criticised Smith for aligning sympathy with pleasure. We frequently share or empathise with sorrowful feeling. Thus, if sympathy were pleasurable, Hume wittily contended 'a hospital would be a more entertaining place than a ball.[240] Smith responded to this criticism in the second edition of TMS by pointing out the distinction between the first order emotions and the second order emotion evoked by the concurrence of the first order emotions. Thus, while observing your direful circumstances and by placing myself in them by an act of imagination, I may come to feel your sorrow and despair. But upon perceiving that I feel the same emotions as you, I then feel a new feeling – that of satisfaction or pleasure that my feeling coincides with yours.

Hume's criticism is understandable in light of the differences between his own account of sympathy and Smith's account. Hume offers a contagion account of sympathy. In this version, feelings are transferred between humans in a mechanical fashion. Similarly to Smith, Hume holds sympathy exists as a natural trait in all men. Its function, however, is more mechanical than Smith's. It is a conductor of emotions, and for this reason Hume considers it the source of the

[239] TMS, I.i.2, pp. 16 – 19.

[240] Hume in a letter to Smith, dated 28 July 1759: 'It is always thought a difficult problem to account for the pleasure, received from the tears and grief and sympathy of a tragedy; which would not be the case, if sympathy was agreeable.' Corr., p. 42.

uniformity of temper in men of the same nation.[241] It is also the reason why other men's judgements influence us.[242]

This conduction of emotion between people appears to happen naturally, as a type of automatic response to observing it in another; 'all the affections readily pass from one person to another, as motion between strings equally wound up.'[243] In Hume's process of 'catching' another's emotions, 'we only infer the passion with which we sympathise from its external signs'.[244] We find it easiest to sympathise with those similar to us, or who are close to us. Sympathy in Hume is limited by the kind of faculty he takes imagination to be. In so far as Smith's faculty of imagination is capable of 'bringing every little circumstance' home to us, it allows us to imagine ourselves in the position of another. Hume's faculty works on associative principles that are more limited. It is easier to enter into the emotions of those who are related to us, resemble us or who are close to us.[245]

Haakonssen makes the insightful point that, in Hume, the feelings we get by sympathy are felt as in our own person. We enliven the idea of a passion by conjoining the idea of self to it, so that we fan the idea into a feeling. But in Smith, we change places with the gazed upon and feel it as they would. For Haakonssen, Smith's sympathy is motivated by the nature of human desire to be in accord with our fellow men. The process of sympathy is a mutual process which underlines sociability of men.[246] Hume's process of getting another's emotions is a type of contagion. Smith's is a type of projection.

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[241] *Treatise*, p. 317.e
[242] *Treatise*, p. 320.
[243] *Treatise*, p. 576.
[244] *Treatise*, p. 317.
[245] Treatise, p. 318
[246] *The Science of the Legislator*, 1981, chapter 2.

From the above, it is evident that Hume's account of sympathy is more limited than Smith's. It means the spectator is less likely to 'get' the feeling of those who are very different to us. Since the movement of feeling from one person to another is by contagion, Hume cannot account for why we sympathise with someone who is incapable of feeling for their own situation, the dead, the mad or the very young. It also means that Hume's description of the process of socialisation is thinner and less explanatory. Hume cannot account for self-judgement, or at least, he fails to describe how we internalise standards of judgement. He may hold that we internalise feelings of duty in relation to the artificial virtues, but he does not explain how we do so. Leonidas Montes goes further, and argues that Smith's sympathy is not only a means of communication (as Hume's is), but that the sympathetic process grants autonomy to the agent through the development of self-command.[247]

Smith's description of the sympathetic process is more complex and has more explanatory power than Hume's. Its power lies in its grounding on our natural faculties and instincts, but also in Smith's serious consideration of our sociable nature. We could not be moral without the gaze of others and the standards of our community. But the same conditions allow us to develop judgement, and thus a measure of autonomy. Since Smith's spectator can compare both the other's feelings and what she would feel in a like situation, there is the possibility of judgement. But in Hume's process, we get the other's feelings by contagion. We feel the feelings as ours, and thus judgement does not arise.

[247] *Adam Smith in Context*, chapter 1.

What is the nature of judgement in the fourth step of Smith's sympathetic process? It is often unclear. Smith sometimes speaks as if the mere feeling of pleasure upon finding a co-incidence between my feelings and that of the actor constitutes the moral approval, but at other times, he identifies moral judgement with the sympathy of the impartial spectator. In other words, sometimes Smith describes sympathy as leading to understanding the position of the other, with judgement coming after the understanding. Sometimes, judgement is the feeling evoked by the pleasure of the concurrence of feelings. Since I have argued that Smith views reason as a separate faculty from that of imagination, I believe the most coherent resolution of these conflicting descriptions in Smith is to see sympathy as a process that involves both faculties in separate steps. Judgement occurs after step four in the process where we have felt the secondary pleasure or pain as it arises from the concurrence or dissonance of emotion between the spectator and actor.

Fleischacker notes that Hume is more rigorous than Smith in keeping sympathy and judgement separate. He puts this down to the different roles feeling plays in their respective accounts of morality. For Hume, feelings are essentially non-moral, and he wishes to graft morality onto them, while Smith wants to draw morality for the way our emotions work.[248] I believe Fleischacher's distinction to be basically correct, but trace the difference to the philosophers' differing conception of reason. Smith's views reason as engaging in a variety of work. Judgement may infuse and influence emotion, at least second order emotions. Hume leaves a lot less room for reason to operate upon or influence the emotions.

[248] See his article 'Sympathy in Hume and Smith', p. 275.

I now return to my claim that it is the moral self that changes place with the actor in the sympathetic process. It is quite possible to share the feeling of the actor and not approve of either his or my feelings. I can recognise that both of us are wrong to feel glee at my rival's discomfort. I can recognise this because I have judged myself from the position of an impartial spectator. I judge myself in same way as I judge others. We either 'approve or disapprove of our own conduct, according as we feel that, when we place ourselves in the situation of another man, and view it, as it were, with his eyes and from his station, we either can or cannot entirely enter into and sympathize with the sentiments and motives which influenced it.'[249] The reason for this is obvious. We can never form any judgement about our own motives and actions unless we remove ourselves in some way from them and regard them 'as other people are likely to view them.'[250] We become a spectator of our own action and our judgement of ourselves must bear some relation to 'what, we imagine, ought to be the judgment of others.'[251] At first these others are any person on the street of our town or community, someone who is not personally connected or who does not stand to gain anything by the dilemma or action I find myself involved in. So, the self we approve of, that acts by correct standards and that stands in judgement of the actor in front of us, has developed the correct feelings.

This brings us back to Carrasco's discussion of practical reason in Smith. The emotions I feel when I imagine myself in your situation are not brute sentiments but those infused by the impartial spectator. Smith describes this

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[249] TMS, III, 1, p.110
[250] *Ibid.*
[251] *Ibid.*

training of our passions in the passage where he alludes to society as a mirror to our character.

> Bring [the individual] into society, and all his own passions will immediately become the causes of new passions. He will observe that mankind approve of some of them, and are disgusted by others. He will be elevated in one case, and cast down in the other; his desires and aversions, his joys and sorrows, will now often become the causes of new desires and new aversions, new joys and new sorrows: they will now, therefore, interest him deeply, and often call upon his most attentive consideration.[252]

Our socialisation teaches us the appropriate feelings in different situations. We develop desires about our desires. These second order feelings provide a constraint and a form of judgement on my first order desires. Exposure to the gaze of society from an early age, teaches us to restrain certain impulses and to value other emotions. It is this internalised standard of appropriate feelings that we use when engaging in the sympathetic process.

These standards develop slowly over a long period of time in a dialectical relationship between the individuals and society. They build from the interaction of individuals watching each other and adhering to the norms that society already has in place which are in turn modified by developing values among the individuals who make up the society. This leads to the construction of moral rules which play an important role in guiding human behaviour. While Smith does argue that ultimately morality springs from feeling and empathy, there are many occasions when we become overwhelmed by self-interest or other passions so as to not hear the 'man within the breast.' Or there may be those who lack empathy or who are not sensitive enough to act appropriately without guidance. Rules are a

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[252] TMS, III.I, p. 113.

bulwark and guide to morally correct action in these circumstances. We start learning these rules from an early age. We see how other members of our society react to an individual agent's actions, and this gives us an estimation of what is regarded as appropriate or not appropriate in our society. In TMS Smith describes the socialisation of children into learning how to behave, firstly from their family[253], then their schoolmates, then finally from the public world. We grow up to internalise the moral rules and social norms of society until they become our inner voice, 'the man within the breast', our conscience. From Smith's description of our socialisation, it appears that the 'impartial spectator' is just an imagined member of our own community; someone who knows the norms but has no particular interest in our specific dilemma. She is a disinterested observer, observing the action and making judgements.

2.3 The Significance of Social Change

The extent and significance of socialisation for the development of individual moral capability is revealed in Smith's occasional references to social change in WN. The eighteenth century was a century of change; increased urbanisation led to a population move to cities, there were changes in remunerative patterns as the economy moved to monetary wages from a predominantly rural, agricultural and seasonal working pattern. Infrastructural changes with the development of technology, better roads and postal systems led to increased communication. Culturally, the rise of the public sphere influenced

[253] Indeed, Smith regards the family as the first and best educator of the child. He recommends home schooling as opposed to boarding school for the proper development of a child's sentiments. See TMS VI, ii, p. 222.

politics; with its instruments of newspapers, public galleries, coffee shops and learned societies encouraging a culture of discussion and enlightened debate.[254]

These changes were connected to the deepening and increasing reach of Smith's system of commerce. It is a system that assumes a highly developed social capacity in individuals. Economic activity can only occur where there is a minimal amount of communication and shared expectations present. These are facilitated by the sympathetic process and a shared set of values instantiated in the impartial spectator. In WN Smith assumes economic transactions occur within a social sphere with spectators ready to offer judgement on the act. 'In the race for wealth, and honours, and preferments, he may run as hard as he can, and strain every nerve and every muscle, in order to outstrip all his competitors. But if he should justle, or throw down any of them, the indulgence of the spectators is entirely at an end. It is a violation of fair play, which they cannot admit of.'[255] In other words, all human activity, including economic activity falls under the remit of moral judgment. Smith here assumes that economic activity will be carried out in a community that observes what is happening, that has an opinion on it and that such an opinion will count with the actor. Economic activity must occur within the laws of justice.[256] Such a description of society reflects the smaller community, one where there is a general knowledge of what is going on.

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[254] See Paul Langford's *A Polite and Commercial People 1727 – 1783* (Oxford: Oxford University Press, 1993) for a discussion of the infrastructural and communication changes in Britain in this century. Peter Mathias discusses the change in British life wrought by industrialisation in his *The First Industrial Nation: An Economic History of Britain 1700 – 1914* (London: Methuen, 1969, 1983). See chapters 1 and 2 for discussions on demographic changes. For a good description of the rise of the public sphere, see T.W.C. Blanning's *The Culture of Power and the Power of Culture* (Oxford: Oxford University Press, 2002)

[255] TMS, ii, p. II.ii.2, p. 83.

[256] 'Every man as long as *he does not violate the laws of justice* is left perfectly free to pursue his own interest his own way, and to bring both his industry and capital into competition with those of any other man, or order of men.' WN, IV.ix, p. 687 (my italics).

Such communities did still predominate in 1776 Britain, but by then, there had been large movements of people to urban centres leading to the development of larger, anonymous cities. To some extent, Smith was aware of these changes but did not seem to realize the impact these changes would have on various human capabilities. In Book V WN, when describing how the sovereign ought to manage different religious sects, Smith notes their value in providing spectators to incoming immigrants who, uprooted from their little villages and without anyone to notice them in the big city soon lose all sense of conscience.

> But as soon as he comes into a great city, he is sunk in obscurity and darkness. His conduct is observed and attended to by nobody; and he is, therefore, very likely to neglect it himself, and to abandon himself to every sort of low profligacy and vice. He never emerges so effectually from this obscurity, his conduct never excites so much the attention of any respectable society, as by his becoming the member of a small religious sect. He from that moment acquires a degree of consideration which he never had before. All his brother sectaries are, for the credit of the sect, interested to observe his conduct;[257]

From this description, it is evident that Smith realizes that living in an anonymous society negatively affects the individual's capability to be moral, that some psychological ability gets lost or is not developed without the look and interest of others around us. Instead of positing a new moral regime that this change might entail, however, he looks for ways to ameliorate the anonymity of the city. The country labourer joins a religious sect and recreates a community for himself.

This indicates that Smith believes morality and the circumstances needed to develop the faculties upon which this capacity depends must meet certain

[257] WN, Bk V, i, g p. 795.

requirements in order to be developed. There are certain essential faculties and instincts in human nature that makes us capable of being moral, and Smith believes that human nature will reassert itself and recreate the conditions necessary for developing the moral self, and to deal with the new commercial society. In the end, of course, we can argue, along with Horkheimer, that human nature did change under the impact of the new commercial system.

2.4 Conclusion

For Smith, our faculties and instincts fit us for sociable living. In TMS, Smith attributes the fact that humans are endowed with natural inclinations that fit them for living in society variously to 'the darling care of Nature' or 'the great Director of the universe,'[258] or 'the Deity'.[259] But, however sociable human beings are in Smith's world, they are also individuals with their own plans, motions, and desires. They cannot be, as he so famously describes it, moved about the board as chess pieces.[260] The difficulty for Smith's account of human nature is to balance both needs so that both can be met. Smith attempts to do so by describing the relation between the individual and society as one of reciprocity or dialectical interaction.[261]

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[258] TMS, VI, ii, 3, p. 236.

[259] TMS, III, 5, p. 166, It is this fortuitous coincidence of ability and end which Smith links to either a benevolent Nature or Creator that led Viner to describe TMS as 'romantic'. See 'Adam Smith and Laissez Faire', in *Adam Smith, 1776 – 1926*, ed. by J.M. Clark and others (Chicago: University of Chicago Press, 1928), pp. 116 – 155 (p. 120).

[260] TMS, VI, section ii, chp 2, p. 234.

[261] Ryan Patrick Hanley in *Adam Smith and the Character of Virtue* (Cambridge: Cambridge University Press, 2009) describes Smith's approach as dialectic in his interesting account of Smith's development of the virtues as a means to ameliorate the damage done to human psychology by the new commercial system. Hanley 'emphasized Smith's propensity to dialectic, or the resolution of seeming opposites through a synthesis that in turn makes possible the realisation of new horizons that require our renewed application.' P. 209.

I have argued that the development of the skills and faculties necessary for living a human life can only be attained by living amongst humans. From an early age we develop our skills and faculties through experience and education. Reasoning, speech, and imagination are developed successively from our family, friends, and the wider world. Our moral standards, our aesthetic standards, and the development of our faculties are all determined by socialisation. Smith recognised that our social conditions and 'ordinary employments' form our understanding and so must be of concern to society. On the other hand, the standards and values of society result from the collective or majority view of the individuals that make it up. The dialectical relationship between the individual and society is possible because humans by nature are sociable and develop our particularly human capacities through socialisation. The next chapter will discuss this side of the relationship.

CHAPTER 3: The Impartial Spectator, Socialisation and Independent Judgement

3.0 Introduction

I have discussed Horkheimer's criticism of capitalism in chapter one; that reason becomes narrowed to instrumental functions under the conditions of capitalism. Horkheimer argues that capitalism and its co-operating social institutions reify the end of 'bettering ourselves' to mean material accumulation.[262] This form of self-interest is taken as natural, and its pursuit is denominated as rational. Is there anything in Smith's description of human nature and human judgement that allows individual reason to escape this progressive narrowing and to judge its own ends? I believe Smith has all the elements to provide a response to this criticism. Using Horkheimer's description of substantive reason and its development, I will show how Smith could give a response using his own description of human nature.

In order to do this, I will examine Smith's discussion of the individual's ability to make moral judgements and decisions about her life. In engaging in this activity, the individual judges and acts by the standards of the impartial spectator, as Smith calls it. Smith's impartial spectator, contrary to Hutcheson's moral sense, is not an innate faculty. It is grounded on our natural faculties and passions and is developed through socialisation and experience. It operates when we make moral judgements from an impartial perspective about ourselves or others. As discussed in the previous chapter, the faculties and passions that form the impartial spectator are themselves developed through socialisation. This raises the

[262] See chapter four in his book *Eclipse of Reason*.

question as to how an individual may develop an impartial spectator capable of forming judgements independently of her society's standards and values. It was a question put to Smith by Gilbert Elliott. [263] Smith wished to affirm that the impartial spectator could return an answer different to what the majority of society would affirm, but it is not clear how he can explain this given his own account of the development of the impartial spectator.[264] I will argue that the impartial spectator can, potentially, make a judgement different or contrary to a standard or value it has been socialised to. I will sketch an explanation of how this is possible by filling in Smith's description of the development of the impartial spectator using Horkheimer's discussion of reason.

How will the proposed examination of the impartial spectator allow me respond to Horkheimer's criticism on Smith's behalf? Smith discussion of the impartial spectator has similarities with Horkheimer's description of substantive reason. Smith recognises the role society plays in developing the capacity of judgment and in providing standards by which to judge. He also recognises the possibility that society could damage the faculty of reason under certain conditions. He specifically mentions the repetitive work engaged in by the labourer under the division of labour.[265] Furthermore, society may offer poor standards to judge by. Smith bemoans the human propensity to admire the flashy

[263] Inferred from Smith's reply to Elliot in a letter dated 10th October 1759. *Correspondence*, Letter 40.

[264] The literature is split in its interpretation of how successful Smith is in making his impartial spectator independent of the individual's socialisation. Justman and Phillipson argue that the impartial spectator is simply the internalised values of society. Raphael and Haakonssen argue that the impartial spectator can go beyond these values to form independent judgements.

[265] See WN, Bk V.i for his discussion of the damage done to reason by repetitive work, which, in an extended metaphor, he compares to the harm done by leprosy and which requires the attention of government to remedy.

values of the rich to the detriment of what is really praiseworthy.[266] Smith's solution to these problems is to protect and develop the capacity of judgement so that it can withstand the hegemonic values of society and return an independent judgement about what is genuinely worthy of pursuit in one's life. These sentiments and observations are similar to Horkheimer's concerns about the damage done to substantive reason. Thus when Smith offers a solution to the potential difficulty his new system of commerce raises, he provides a response to Horkheimer's criticism of capitalism.[267]

This chapter is divided into three parts; the first will examine Smith's idea of the impartial spectator. Smith equates it with 'conscience' or 'the man within the breast'. It is the basis from which moral judgements can be made regarding others or ourselves. I will argue that the moral rules of society contribute to the formation of the impartial spectator in the individual. In turn, the moral rules are formed by the collective experience and sentiments of the members of a society over time. The mature individual is capable of judging the moral rules of her society through the operations of her impartial spectator. I will illustrate this claim through a comparison with Hume's account of the formation and influence of moral rules on individual behaviour. While the accounts of the development of the general rules of morality are similar in both Smith and Hume' s writings, Hume's description leaves less room for the possibility of acting contrary to the general

[266] TMS, I.ii.3, 'Of the corruption of our moral sentiments which is occasioned by this disposition to admire the rich and the great, and to despise or neglect persons of poor and mean condition'.
[267] Several authors in the literature note that Smith is not blind to the problems raised by his system of commerce. Griswold, Hanley and Pack all argue that Smith recognised the potential damage to our nature and faculties that could be caused by what would be now called capitalism. But all three authors held that Smith believed remedies could be found in various ways; in the cultivation of the virtues or different arrangements of the social systems.

rules of society. The difference between the two is found in Smith's concept of the impartial spectator.

In the second part, I will discuss the problem of how Smith might account for the independent judgements of the impartial spectator given the importance of socialisation in its formation. Smith has all the elements necessary to resolve this difficulty in his description of human nature. I shall expand his account to respond to the problem using Horkheimer's dialectical explanation of the development of substantive reason. I shall compare Hume's account of free will with Smith's ideal of the impartial spectator to highlight the greater role Smith gives to judgement in moral consideration. This allows Smith's impartial spectator wider scope for autonomy than Hume's account of free will. Finally, the last section provides a detour into the question of how we might classify Smith's moral theory. Can it be labelled as either absolute or relative? I argue that neither of these labels accurately describes Smith's position. Smith's moral position reflects the complex relationship he describes between the individual and society.

3.1 The Impartial Spectator

Smith variously refers to the impartial spectator as 'the man within', 'conscience', the 'great judge and arbiter of our conduct'.[268] It is a particular way of making judgements when in a particular mode; that is, when we wish to make moral judgements. In this section, I will discuss the fundamental role Smith ascribes to the impartial spectator in our moral life. I will argue for the importance of society and its standards in the development of the impartial spectator, and its

[268] TMS, III.3.5, p. 137.

relationship to the general rules of morality. In this respect, I will compare Smith's account of the development of the rules and their influence on individual behaviour with that of Hume's, arguing that Smith's account gives greater scope to the possibility of derogating from the rules should the individual judge that it is appropriate.

3.1.1 The significance of the impartial spectator in moral life

The impartial spectator provides an external platform from which to judge another's actions, and a set of standards to which anyone would agree. It provides an ideal of virtue and justice which we strive to become, though not always succeeding. For Smith, it is the highest expression of morality to which we can attain.

> The man of real constancy and firmness, the wise and just man who has been thoroughly bred in the great school of self-command, [...] not merely affects the sentiments of the impartial spectator. He really adopts them. He almost identifies himself with, he almost becomes himself that impartial spectator, and scarce even feels but as that great arbiter of his conduct directs him to feel.[269]

Thus, the properly moral person learns to judge her own actions and the actions of others from an external, impartial view point. She not merely acts by the proper sentiments, but internalises them to act from them. This is the highest development of the moral self. Smith recognises that not all people can attain this nor even some people all of the time. In these instances, the value of moral rules comes into play and we will be guided by them to act correctly, even though this is a second best route to good moral behaviour. I will discuss the development and use of general moral rules in 3.1.3.

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[269] TMS, III.3, p. 146 – 7.

Smith views the impartial spectator as a type of internal restraint, or conscience that acts as a brake on our self-interested feelings and interests. He illustrates its power with a discussion of the natural human abhorrence of harming others to serve individual interests. He describes a scenario where the inhabitants of China were swallowed in an earthquake. A man of humanity in Europe might exclaim at the tragedy and even speculate about how this might affect the commerce of Europe, but then would resume his business or pleasure as if such a calamity had not happened. Should a much smaller disaster befall himself, he will lose much sleep, but provided he never sees the suffering of the Chinese, 'he will snore with the most profound security over the ruin of a hundred million of his brethren'.[270] But, Smith continues, would this same man be willing to sacrifice these hundreds of millions of lives to prevent the paltry misfortune to himself? No. Human nature 'startles with horror at the thought'. Smith argues that something prevents humans from such self-absorption and makes all humanity abhor the thought of harming others for our own ends or interests. This 'something' is not our 'feeble spark of benevolence', according to Smith.

> It is a stronger power, a more forcible motive, which exerts itself upon such occasions. It is reason, principle, conscience, the inhabitant of the breast, the man within, the great judge and arbiter of our conduct. It is he who, whenever we are about to act so as to affect the happiness of others, calls to us, with a voice capable of astonishing the most presumptuous of our passions, that we are but one of a multitude, in no respect better than any other in it; [...] It is from him only that we learn the real littleness of ourselves, and of whatever relates to ourselves, and the natural misrepresentations of self-love can be corrected only by the eye of this impartial spectator.[271]

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[270] TMS, III.3, p. 136. See also TMS VI.ii.1, 'Of the order in which individuals are recommended by nature to our care and attention' where Smith refers to our preferences for those closest to us.
[271] TMS, III.3, 137. In this, he indirectly refers to Butler's insistence that benevolence is the primary

The impartial spectator is a powerful internal restraint on our self-interested passions. It provides a point from which the individual can examine her motivation in a disinterested fashion. It provides a type of autonomy for the individual in that it allows her to step back from her passions and desires and judge them. Lisa Herzog denominates this an 'authenticity condition' for genuine choice.[272] Thus, Smith's impartial spectator is fundamental not merely for social harmony and the efficient attainment of sympathy that we desire, but for the capability of making genuine moral choices. It is an important part of human nature and one that must be developed carefully to safeguard the individual's ability to make good choices for her life.

3.1.2 Developing the Impartial Spectator

In forming the impartial spectator, Smith indicates that actual spectators in society play a formative role. It is part of the process of socialisation as described in the previous chapter;

> our first moral criticisms are exercised upon the characters and conduct of other people; and we are all very forward to observe how each of these affects us. But we soon learn, that other people are equally frank with regard to our own. [...] We begin on this account to examine our own passions and conduct, and to consider how these must appear to them, by considering how they would appear to us if in their situation.[273]

The gaze of others in her society, combined with her natural desire for sympathy leads the individual to examine her own conduct and passions from an external viewpoint – that of her fellow citizens. This process of judging oneself is a skill that is learned early and may improve over time, given the right conditions and

[272] See chap. 6 in her book *Inventing the Market*. I will discuss this in more detail in section 3.2.
[273] TMS, III.i, p. 112.

experiences. Smith compares the development of the ability to judge oneself to how the individual learns to judge proportion between objects. He gives an example of the scene from the window in his room. An 'immense landscape of lawns, and woods, and distant mountains, seem to do no more than cover the little window'. Smith realises that he can only 'form some judgement of their real proportions', by transporting himself 'at least in fancy, to a different station, from whence [he] can survey both at nearly equal distances'.[274] The ability to judge the true proportion of things, through habit and experience, happens so easily and readily, that Smith 'is scarce sensible' that he does it.[275] Smith points out that we often take the ability to judge proportions and perspectives as natural, but in fact, it requires experience to develop it. He believes that these more sophisticated operation of sight are developed through experience. As evidence Smith points to a case where the individual had limited experience of sight, becoming blind at an early age, and upon having his sight restored to him, took about a year to be able to judge perspective.[276]

Smith believes we learn to place our passions in proper perspective in a similar manner. Our own trivial losses and gains interest us more deeply than the greatest concern of another with whom we have no connection. Before we can make proper judgement of the weight of our respective interests, 'we must change our position. We must view [the two sets of interests] neither from our own place nor yet from his, but from the place and with the eyes of a third person, who has no particular connexion with either, and who judges with impartiality between us. Here too, habit and experience have taught us to do this so easily and so readily,

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[274] TMS, III.3.3, p. 135.
[275] As above.
[276] See my discussion on this point in the previous chapter

that we are scarce sensible that we do it.'[277] Through socialisation, the individual learns to view themselves from an external position, using the eyes of spectators in her community by which to judge. Eventually, the mature individual does not need to rely on the gaze of real spectators. She will have internalised the ability to judge from an impartial standpoint, using a set of standards that may be those of her community or those she may have developed herself.

Otteson, in his book *Adam Smith's Marketplace of Life*, insists on the point that Smith has a developmental notion of the impartial spectator. He argues that when Smith discusses the moral actor, he is referring to an adult actor, one who has internalised societal norms and acts from them.[278] This is broadly in agreement with my interpretation of what Smith's impartial spectator is, but Otteson's contention that the development of moral values is comparable to the determination of prices in a market strikes me as an inaccurate comparison. Otteson argues that individuals indicate what values they approve and come to a consensus which results in a societal standard being formed. In the same way, individuals arrive at an agreed price for a commodity in the market. However, given Smith's description of human nature as socialised to certain values from an early age, the individual in the moral debate is less free to genuinely engage in discussion than an individual in a debate about prices. Otteson's comparison fails to recognise this important aspect of our moral psychology.

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[277] TMS, III.3.3, p. 135 – 6.

[278] See *Adam Smith's Marketplace of Life*, (Cambridge: Cambridge University Press, 2002), pp 107 – 110.

For Smith, society not only offers standards by which to judge ourselves and others, but also creates new sensations or feelings that are necessary to being moral.

> To a man who from birth was a stranger to society, the objects of his passions, the external bodies which either pleased or hurt him, would occupy his whole attention. The passions themselves, the desires or aversions, the joys or sorrows, which these objects excited, though of all things the most immediately present to him, could scarce ever be the objects of his thoughts. [...] The consideration of his joy could in him excite no new joy, nor that of his sorrow any new sorrow, though the consideration of the causes of those passions might often excite both. Bring him into society, and all his own passions will immediately become the causes of new passions. He will observe that mankind approve of some of them, and are disgusted by others; his desires and aversions, his joys and sorrows, will now often become the causes of new desires and aversions, new joys and new sorrows: they will now, therefore, interest him deeply, and often call upon his most attentive consideration.[279]

I have argued in chapter two that Smith believed socialisation was necessary for the development of faculties, especially those of speech, imagination and reason. From the above passage, we can infer that he also believed society was necessary to develop self-reflection; the individual will examine her passions with the 'most attentive consideration' upon being brought into society. The judgements of others awakens new feelings about our primary or immediate passions and leads us to modify our primary feelings or cultivate appropriate responses to particular circumstances. These appropriate responses are tied to the standards of the society in which we are brought up. The fully developed moral actor is able to work from these standards to develop an independent judgement of these standards. How does Smith account for the individual's ability to discover and approve of her own

[279] TMS, III.I.3, pp. 110-111.

standards independent of the community standards in which she was first socialised?

The answer Smith gives lies in his distinction between love of praise and love of praiseworthiness. Smith regards our desire for praise as a brute fact of our nature. 'Nature, when she formed man for society, endowed him with and original desire to please and an original aversion to offend his brethren.'[280] This original desire inclines us to modify our feelings and actions to attain the esteem of our community. It teaches us to humble our passions of self-love and to 'respect the sentiments of our brethren.'[281] The community provides the standards by which we initially judge our conduct. Smith notes that the all wise author of nature has made man 'the immediate judge of mankind.'[282]

Smith believes, however, that individual do not just desire praise, but also to be praiseworthy. He argues that in emulating the person we admire, we do not merely wish to seem like them, we want to achieve the quality or virtue we admire in them. 'We must at least believe ourselves to be admirable for what they are admirable.'[283] The distinction between what evokes praise and what evokes praiseworthiness requires judgement; 'though they resemble one another, though they are connected, and often blend with one another, [they] are yet, in many respects, distinct and independent of one another'.[284] The individual must judge between what garners praise and what is genuinely praiseworthy. Praise requires actual spectators. A sense of praiseworthiness is satisfied by the approval of the impartial spectator. Smith recognises that a real spectator may arrive at an

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[280] TMS, III.2.6, p. 116.
[281] TMS, III.2.30, p. 128.
[282] TMS, III.2.32, p. 130.
[283] TMS, III.2.2, p. 114.
[284] TMS, III.2.2, p. 114.

incorrect judgement as to the worth of the actor. She may be biased, not know the facts, or have a poorly developed conscience. Thus the individual actor must have an alternative, more reliable judge of her own worthiness since a real spectator may be inadequate. So, while Smith recognises that our neighbour is the judge of our actions in the first instance, 'an appeal lies from his sentence to a much higher tribunal, to the tribunal of [our] own consciences, to that of the supposed impartial and well informed spectator, to that of the man within the breast'.[285]

I have argued that Smith's notion of the impartial spectator is a capability for moral judgement that develops from childhood, through socialisation and life experience. The individual internalises the ability to judge herself and others based on the standards and practices of the society in which she was socialised.[286] At some point in her development, the individual is drawn to make distinctions between what garners praise from her society and what is genuinely praiseworthy by innate desires to achieve both. It rests with the impartial spectator to make the distinction. How it might do so is a question I will discuss in section 3.2 below.

3.1.3 The General Rules of Morality

In Smith's account, the general moral rules of a society develop out of the actual judgement of individuals in society over time. These rules provide guidance to the young, the inexperienced or to those with a poorly developed impartial

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[285] TMS, III.3.32, p. 30.

[286] This close relation between our moral standards and our socialisation suggests that the historical and material circumstances of our society could impact on the moral standards its members espouse. Smith shows himself aware of this possibility in his discussion of infanticide in ancient Greece (TMS, V.2, p. 120).Eric Schliesser argues in 'Articulating Practices as reasons: Adam Smith and the Social Conditions for the Possibility of Property' that Smith gives an historical account explaining the origins and social conditions of the possibility of social phenomena, as part of the moral force of our practices. This moral force operates in a variety of ways, one of which is fulfils the Enlightenment imperative to provides a rational account which allows reflective endorsement. *The Adam Smith Review*, vol. 2 (London: Routledge, 2006), 69 – 97.

spectator in making moral judgements. This section will examine the role rules play in Smith's account of our moral development and how they are formed. The fact that the general rules of morality develop out of our individual judgements illustrates the importance of our ability to make good judgements. I highlight this dialectical relationship between the individual and the general rules of society because it goes to my thesis that good judgement was a vital part of human nature for Smith, and he was seriously concerned where it became damaged or undeveloped due societal conditions. In order to participate in formation of the moral standards and rules of our society, to contribute to the confirmation or change of the rules by which future members of our society will be socialised, the individual must be able to develop the faculties and passions that make up a robust impartial spectator. I will argue in chapter four that Smith would have to concede the protection of the conditions necessary for this development is a matter of justice.

General rules in Smith account are important for three reasons: (i) they prevent self-interest overcoming the impartial spectator, (ii) they provide consistency to our judgements, and (iii) they provide the young individual, (or those with an undeveloped impartial spectator) a standard by which to make judgements and to practice judging.

Smith believes that judging as an impartial spectator is the highest expression of morality the individual is capable of. He believes, however, that the 'coarse clay of which the bulk of mankind are formed, cannot be wrought up to such perfection.'[287] Humans are prone to self-deceit. Our own interests and

[287] TMS, III.5, p. 163.

passions 'are sometimes sufficient to induce the man within the breast to make a report very different from what the real circumstances of the case are capable of authorising.'[288] It is 'disagreeable to think ill of ourselves' and we are 'so partial about the propriety of our own conduct' that it is difficult for us 'to view it in the light in which an indifferent spectator would consider it.'[289] The individual realises this weakness in her nature and when the passion has subsided, forms rules to herself to guide her in situations where her immediate passions are apt to overwhelm her impartial spectator.

Even when we are not allowing our self-centred passions over-ride the impartial spectator, 'the inequalities of humour to which all men are subject' are such that, without firm principles, might lead an individual to act inconsistently. Smith gives the example of a friend making us a visit when we are not in the humour to receive her. In our present mood, we would behave with a coldness that would be rude. What regulates our behaviour is 'a regard to the general rules of civility and hospitality, which prohibit it.'[290] In such a manner, my behaviour remains consistent over time despite fluctuations in my sentiments. Finally, rules are important because they provide a template for those who do not feel the appropriate sentiment, to act with propriety. Smith designates 'a sense of duty' as a 'regard to those general rules of conduct' which he believes is 'a principle of the greatest consequence in human life.[291] Those who do not have the correct sentiment which would naturally guide them, will be led to act correctly through regard for the general rules. Smith believes that there is scarce any person, who

[288] TMS, III.4, p. 157.
[289] TMS, III.4, p. 158.
[290] TMS, III.5, p. 163.
[291] TMS, III.5, p. 162.

'by discipline, education, and example, may not be so impressed with regard to general rules, as to act upon almost every occasion with tolerable decency'.[292] General rules allow individuals to behave appropriately within the community, but they also allow scope for the inexperienced individual to learn what is regarded as appropriate.

Smith argues that moral rules are arrived at by inductive reasoning. They develop from the 'continual observations upon the conduct of others'. But their origin is in our emotional response to certain actions and attitudes. Some conduct shocks our natural sentiments, and we 'hear every body about us express the like detestation against them.'[293] Smith believes individuals have consistent negative reactions to particular acts and this is reinforced by seeing the disapprobation these acts evoke in those around us. 'We thus naturally lay down to ourselves a general rule that all such actions are to be avoided'.[294] In similar manner, certain acts evoke sentiments of approval in our breast, and similar commendations from those around us and we form general rules to ourselves to act in such a manner. Out of these individual rules, general rules are formed. 'It is thus the general rules of morality are formed. They are ultimately founded upon experience of what, in particular instances, our moral faculties, our natural sense of merit ad propriety, approve, or disapprove of.'[295]

D.D. Raphael believes that Smith is responding to rationalist accounts of morality. 'The chief point that he wants to make is that the general rules depend upon initial particular judgements, as contrasted with the view of

[292] TMS, III.5, p. 163.
[293] TMS, III.4, p. 159.
[294] As above.
[295] As above.

philosophical rationalists that all particular moral judgements depend upon their conformity to general rules.'[296] This cannot be the case because Smith believes human sentiment is the initial basis for judgement, not conformity to a general rule discovered by reason. It is true that the faculty of reason has a role in the process. It acts in the function of inductive reason. There is no role here for the other function of that faculty – that of judgement. This function may operate in the application or use of the rules by the individual, or indeed, in judging the value of the rule itself. It is on this latter point, (how to account for our ability to judge the rules themselves), that it is useful to compare Smith and Hume's account. The comparison will highlight the value of Smith's concept of the impartial spectator in providing the individual with an external point from which to judge the rules.

Smith's account of general rules is similar to Hume's in many respects. Both Smith and Hume agree that the formation of rules can be discovered by empirical investigation. For Smith, we arrive at the rules through induction from our response to similar acts and from other people's response to the same acts. For Hume, the moral rules pertaining to the natural virtues (as opposed to the artificial virtues – I shall discuss these in the next chapter) arise out of custom and repetition based on our natural sentiments. He describes their creation as requiring 'a certain uniformity of experience, and a great superiority of those instances which are conformable to the rule above the contrary.' [297] Both philosophers also

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[296] See chapter 7 of *The Impartial Spectator: Adam Smith's Moral Philosophy* (Oxford: Clarendon Press, 2007), p. 55.
[297] *Treatise*, Bk 2, pt 2, p. 362.

agree that these rules influence our behaviour, even unconsciously, through internalisation.[298]

Both philosophers recognise that general rules can be incorrect generalisations, mere prejudices, or principles left over from a time when circumstances made them correct. Smith judges the institution of infanticide in Plato's day as left over from the 'times of the most savage barbarity'. He chastises contemporary Greek philosophers for not recognising the act as barbarous, but 'uninterrupted custom' had created maxims that tolerated this barbarous prerogative'.[299] Hume also identifies dubious general rules that may lead individuals to poor judgements and actions. He cites the belief that '[a]n *Irishman* cannot have wit, and a *Frenchman* cannot have solidity' as 'deriv'd from *general rules'* and attributes it to prejudice.[300] The philosophers differ, however, in their response to the problem of judging general rules. As already discussed, Smith believes an individual can make an appeal 'to a much higher tribunal, to the tribunal of their own consciences, to that of the supposed impartial and well informed spectator'.[301] For Hume, the wise individual can escape the error of poor general rules through careful reflection on their own causal reasoning. He appeals to 'some general rules, by which we ought to regulate our judgment concerning causes and effects',[302] and devotes an entire section to 'Rules by which to judge of causes and effects'.

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[298] *Treatise*, Bk I, pt.3, p. 147. Hume is investigating why men are influenced by general rules which may be erroneous in their formulation; 'Should it be demanded why men form general rules, and allow them to influence their judgment ..'

[299] TMS, V.2, P. 210.

[300] *Treatise*, Bk I, pt 3, p. 146.

[301] TMS, III.2, p. 130.

[302] *Treatise*, Bk I, pt. 3, p. 149.

This solution has occasioned some debate in Hume scholarship; does Hume mean that there are two sets of rules, one set which 'we rashly form to ourselves', and another which judges the formation of these sets of rules? Or does he mean that there are just well and badly formed general rule between which the wise individual can distinguish with a little reflection on the process of their formation? Gabriela Remow argues that Hume has second order rules by which to judge the first set whereas Ryan Hickerson argues that Hume was referring to reflection upon the general rules which distinguishes between erroneous and genuinely good moral laws.[303] Under either interpretation, Hume is grounding the individual's ability to judge general rules on some type of reflection on the process by which the rule was formed. His account of how the individual may pass judgement on primary moral rules is less clear than Smith's. Hume does not indicate how an individual develops this reflective ability. Smith, on the other hand, gives greater weight to the role of judgement in the moral process, and his description of the impartial spectator explains how an individual might be able to give judgement independent of the rules and principles to which she was socialised. [304] I will examine how this independency could be attained in the next section when responding to Horkheimer's criticism of capitalism on Smith's behalf.

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[303] See Remow's article 'General Rules in the Moral Theories of Smith and Hume', in *Journal of Scottish Philosophy*, 5 (2007), 119 – 134. For Hickerson, see his article 'What the Wise Ought to Believe: A Voluntarist Interpretation of Hume's General Rules', *British Journal for the History of Philosophy*, 21 (2013, 1133 – 1153.

[304] In her article, Remow gives little attention to the role the impartial spectator plays in Smith's account of judging general rules. She argues that Smith believed the majority of individuals could not form their own moral rules and thus advocated they follow moral rules provided by religion, even where such rules advocated murder or other fanatical acts. This interpretation is completely at odds with Smith's abhorrence of 'enthusiasms', and cannot be reconciled with his account of the impartial spectator.

3.2 The problem of independent judgement

Horkheimer argued that capitalism was responsible for the diminution of substantive reason and the valorisation of instrumental reasoning. Capitalism and its co-operating social institutions reify the end of 'bettering ourselves' to mean material accumulation. This form of self-interest is taken as natural, and its pursuit is denominated as rational. The values promoted in the advertising industry, entertainment, sport and even the family glorify the values of capitalism, and train the individual to fit this model of life. Is there anything in Smith's description of human nature and human judgement that allows individual reason to escape this progressive narrowing and to judge its own ends? Carrasco's discussion of reason and self-command in Smith offers some possibility in that she shows how second order desires can set our end goals with more deliberation than first order desires.[305] Individuals do have the possibility of stepping back from the immediate force of their first order instincts and desires to judge them.

I do not think however, that Smith's moral actor can escape the weight of her socialisation so easily. The ability to defer gratification, to favour future gain over immediate pleasure as in the example of the worker, is a development of a particular time and history. Factory owners trained their workers to punctual time keeping. Preachers and divines exhorted their flocks to be frugal, work consistently and live soberly.[306] Though reason may be able to stand back from our immediate appetites and judge what is better to desire, this too is a socialised ability. Given the socialised nature of the individual and of the standards they

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[305] See my discussion of her essays in reason in the previous chapter, 2.1.2, (ii). Hume regarded good rules as those that produce pleasure or utility for either the individual or those around her

[306] See Mary E. Fissell, 'Charity Universal? Institutions and Moral Reform in Eighteenth Century Bristol', in *Stilling the Grumbling Hive: The Response to Social and Economic Problems in England, 1689 – 1750*, ed. by Lee Davidson and others (New York: St Martin's Press, 1992).

judge by, how can reason or the impartial spectator retain the independent judging quality that Smith admires, if social, historical, and economical conditions favour a different, or more limited character?

If our impartial spectator is developed by society, the question must arise as to how the individual could ever make moral judgements that go against the grain of public opinion. This point was raised upon the publication of the first edition of TMS by Sir Gilbert Elliot. Smith responded to this problem in the second edition, and later in the sixth edition by developing the distinction between the desire for praise and the desire to be praiseworthy, as described above. In making this distinction, Smith is at pains to describe the development of an individual's faculty of judgement and their standards she judges by. Though we learn through our infancy the norms of society which guide us in our interaction with other members in our society, we also come to realise that many people's judgment is clouded by their own passions and feelings of self-interest or prejudice, or even by the bare fact that they do not know all the relevant details of the action taking place. Thus we learn to imagine an impartial spectator who is free from prejudice and who is aware of all the relevant facts. From this standpoint we judge our own actions or indeed our own society. The advantage of this strategy is that it distances us from our own immediate passions and desires, and applies the standard we would apply to anyone in our community to ourselves. This standard, though, remains the one given to me by my socialisation.

Another way to illustrate the problem is to ask how an individual, socialised into the standards of their society, ever develops the ability to judge these very standards themselves. Forman-Barzilai recognises that, as a successfully socialised individual, 'I become more deeply entrenched culturally,

more tractable and docile, less critical, less inclined to understand myself and others. Smith's theory of moral maturity seems to deny reflective space that is necessary for critical self-awareness'.[307] Though Forman-Barzilai's main concern with Smith's theory is that it does not explain sufficiently how people might surmount cultural bias, she recognises the basis for this worry lies in whether Smith's moral psychology has room for the development of judgement independent of socialisation to our culture's norms. She attempts to resolve the difficulty by appealing to Smith's conception of negative justice and a universal aversion to cruelty based on our shared physical and psychological similarities. But this appeal cannot withstand Smith's own discussion of cultural difference in TMS.[308] The only way out of this bind, is if the impartial spectator can arrive at an alternative judgement to that of its formative society.

In comparison to Smith, Hume has fewer resources to respond to Horkheimer's criticism. While Hume believes our natural virtues (meekness, beneficence, charity, generosity, clemency, moderation, and equity)[309] make humans suitable for social living, and the artificial virtues of justice and chastity ensure the security of social institutions and structures, his account of morality leaves the individual with no skills or values by which to judge the institutions under which she lives (property institutions or the female place in marriage, for example), and to form alternative opinions or judgements. There is no impartial spectator in Hume's account, to criticize the moral rules of society itself.

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[307] 'Smith on "Connexion", Culture and Judgement', in *New Voices on Adam Smith*, p. 97.
[308] TMS, V, pp 194 – 211.
[309] *Treatise*, Bk, III.iii.1, p. 578.

3.2.1 Smith's position

Smith believes the individual is capable of autonomous judgement and living a life contrary to the norms of the society she inhabits. In two particular instances, he singles out individuals for praise in relation to this. The first he mentions in an addition to the sixth edition of TMS. In a chapter 'Of the love of praise and that of praise-worthiness; and of the dread of blame and of that of blame-worthiness', he refers to Jean Calas, a French Calvinist, who was accused of murdering his own son and was found guilty with no shred of proof.[310] Calas was discriminated against by virtue of his religion. What Smith seems to admire in his account of the man's torture and death, is Calas's adherence to his way of life, against the majority values of his fellow countrymen and against the torture of his fellow men.

The second individual who held values contrary to his society and lived accordingly was Smith's good friend David Hume. In his letter to Strahan after Hume's death, Smith gives reasons why he admired his friend. He alludes to Hume's good humour, his dedication to his friends, his life's task of combating superstition, and ends with the famous commendation that Hume approached 'as nearly to the idea of a perfectly wise and virtuous man, as perhaps, the nature of human frailty will permit'.[311] Eric Schliesser reads this letter as a philosophical justification of Hume's vanity in his publications, a type of peon to his friend's good character in the virtue ethical sense. Hume was exceptional in point of virtue, but he was also exceptional in that he didn't conform to the majority view of religion and the moral world. Schliesser argues that 'Smith's moral philosophy

[310] This happened in 1762. Calas was broken upon the wheel before being burned.Voltaire campaigned on Calas's behalf and had him declared innocent posthumously. Smith would have heard this case debated when he resided in Toulouse in 1764 – 1765. See TMS, III.2, p. 120.
[311] Letter 178 to Strahan, *Corr.* P. 217.

is designed to show how Hume's life is possible. Thus his 'letter to Strahan' is integral to his moral teachings.'[312] Hume's life illustrates that an individual may form judgements contrary to the values they grew up with. Schliesser appears to believe here that Smith's philosophy offers an account of how one may develop judgement to the point where it is independent of the society that developed it. In this, he is partially correct. Smith certainly believed it was possible to develop such an autonomous impartial spectator, and attempted to show how this happened. I argue that Smith did not achieve articulation of how this would happen, but that it is possible to trace the steps of such autonomy through his description of our moral psychology.

Smith attempts to explain the development of our conscience from its socialised beginnings to mature independence. He did so by developing his concept of the impartial spectator from the first to the last edition of TMS[313]. This increased focus seems to arise from his concerns with the dangers of fanaticism and superstition to warp our moral judgement. He observes that custom sometimes sanctions practices that strike his contemporaries as cruel. Smith refers to the act of infanticide in Ancient Greece and acknowledges that custom 'is capable of establishing, as lawful and blameless, particular actions, which shock the plainest principles of right and wrong'.[314] Even those citizens with the most

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[312] Eric Schliesser, 'The Obituary of a Vain Philosopher: Adam Smith's Reflections on Hume's Life', *Hume Studies*, 29 (2003), 327 – 362, p. 351. In this article, Schliesser holds that Smith is picking up on Hume's implication that he, Hume, is vain to write about his life. Smith shows in what respect Hume may be rightfully vain or proud of his accomplishments.

[313] See D.D. Raphael and A.L. Mcafie's introduction to TMS (pp 16 – 17) where they argue that Smith became increasingly sceptical of popular opinion throughout the editions of TMS, responding to Gilbert Eliot's query in edition two, and introducing the distinction between praise and praiseworthiness in the sixth edition (III.2.32).

[314] TMS, V, ii, p. 209.

developed capability of judgement in that era (the philosophers) did not challenge the custom or judge it as morally wrong;

> Uninterrupted custom had by this time so thoroughly authorised the practice, that not only the loose maxims of the world tolerated this barbarous prerogative, but even the doctrine of philosophers, which ought to have been more just and accurate, was led away by established custom, and upon this, as upon many other occasions, instead of censuring, supported this horrible abuse, by far-fetched considerations of public utility.[315]

Smith recognises the power of our socialisation, of custom and what is offered in society as the standard of rightness to mislead our 'natural' sentimental reaction to an action. But he has just argued that our impartial spectator forms standards of judgements from actual spectators in our society. How can he explain that we develop an ability to judge these standards independently?

Smith wishes to validate the individual authority of conscience against social norms, but he does not explain how the individual conscience develops from unthinking acceptance of given norms to the ability to judge these norms. He insists that the sentiments of moral approbation and disapprobation are founded on the strongest and most vigorous passions of human nature, 'and though they may be warpt, cannot be entirely perverted.'[316] Independent conscience rests in the last instance on our innate sympathetic processes, which may be influenced but never buried by socialisation.[317]

Smith's explanation of the role of socialisation in the development of our impartial spectator, however, undermines his claim. We would not be able to make moral judgements without some socialisation (any more than we would be able to determine the beauty of our own face). Since we learn this from family,

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[315] TMS, V.2.15, p. 210. The philosophers Smith was referring to were Aristotle (*Politics*) and Plato (*Republic*).
[316] TMS, V, ii, p. 200.
[317] TMS, V.ii, p. 200.

friends, and our wider community, it is impossible for any individual to have an absolutely independent conscience. At best, Smith's explanation could show that the impartial spectator can be independent of dominant moral standards in society and choose to follow one it regards as more humane, based on what the individual imagines causes pleasure or pain. This can happen because there are certain basic, natural judgements of appropriateness and inappropriateness in relation to our bodies and actual survival that all individuals make prior to considering the moral rules of their society. This is the groundwork for the development of moral rules in that society. These become ever more complex as society becomes more materially (and hence socially) developed.[318]

Smith claims these judgements are formed prior to consultation of moral rules. They are based on our feelings that result from imagining ourselves in the other's position. They generally relate to physical harm being done to the individual or the individual being put in a position that endangers their well-being; for example, being abused by a clearly angry person or losing one's financial and social status in society. In any of these cases, Smith contends, we will imagine ourselves in the position of the victim and will find sympathy with the person's anguish or fear. Thus we will approve their sentiments and will also approve their actions to remedy their situation (provided that the actions are not out of proportion to the damage done). But again, this description is complicated by Smith's own examples of situations where different cultures judge different levels of physical harm to be a wrong. The 'immediate sense and feeling' which determines right and wrong,[319] is so deeply socialised that what is perceived as

[318] See WN, V.i where Smith discusses the four stages of development of society, linking material development and progressive division of labour to the development of more complex structures of society, rule and administration.
[319] TMS, VII, iii, 2, p. 320.

damaging and insupportable by Europeans (a slow, torturous death) is regarded as the way of the world and to be endured with bravery by the American natives.[320] Similarly, Smith notes that while the upper classes of Stuart England approved a certain degree of licentiousness, the lower classes did not.[321]

Given Smith's description of our sympathetic process as innate is correct, he still has not explained the leap from the socialised judgements of our youth to the independent judgement of our maturity. From Smith's initial description of how humans are socialized to accept certain standards of appropriateness, it would appear the 'impartial spectator' or conscience is simply the internalized norms of a particular society. This point was raised by Elliot, and Smith endeavoured to clarify his point by his elaboration on the distinction between praise and praiseworthiness. All this appears to achieve, however, is to protect our judgment against the dangers of partial, prejudiced, and ignorant spectators. It leaves the individual with an imaginary spectator who judges impartially in the light of all known facts (or at least, all the known facts available to the individual actor). But this imaginary, impartial spectator still only has the standards of her society to judge by. How can Smith explain the fact that individuals do in fact, develop autonomous reason to the extent that they can criticise the standards of their own society. Apart from clarifying the importance of the impartiality of the spectator/conscience and the authority of conscience, Smith does not satisfactorily explain how the development happens.

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[320] TMS, V.2.9, p. 206. Smith adds colour to this example by explaining that each 'savage' composes a song of death, so that, in the event of his capture and torture, he may taunt his enemies.

[321] TMS, V.ii.3, p. 201.

3.2.2 Developing Independent Judgement

There are conflicting views in the literature as to whether, given Smith's description of our moral psychology and its development, we can develop a judgement that is independent of our socialisation. Phillipson flatly denies the possibility of ethical autonomy calling it 'a myth'.[322] D.D. Raphael in *The Impartial Spectator* holds that conscience acquires independence from social judgements through experience and imagination. Haakonssen on the other hand believes that Smith's moral psychology is descriptive and involves some relativity to culture while Fleischacker also believes Smith's account of morality is open to cultural relativism but this is limited and gradual and is tied to the Smith's moral psychology and what forms a good character. [323] In a sense, I argue, all are correct. Situated, historical individuals can develop autonomous judgement regarding their society in so far as their human faculties allow. Smith's individual, under the right conditions, learns to reflect and judge the society around them. She may reject, as well as accept, the goals advocated by competing organisations and bodies (to strive for riches, to be godly, to ape our superiors' dress sense, to work hard or idle are some of the activities Smith mentions in WN) where her judgement is not narrowed or damaged. In so doing, the individual can be said to act freely or to genuinely choose amongst a variety of alternatives.

Comparing Smith's account of freedom to Hume's highlights how the impartial spectator is less constrained by its development through socialisation than Hume's account of individual judgement. Hume argues that individuals feel

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[322] Phillipson, p. 157.

[323] Raphael, *The Impartial Spectator*, see especially chp. For Haakonssen' s discussion, see his introduction to *The Cambridge Companion to Adam Smith* (Cambridge: Cambridge University Press, 2006). For Fleischacker's discussion, see his *On Adam Smith's Wealth of Nations* (Princeton: Princeton University Press, 2004).

they act freely in the sense of feeling free; it is an '*internal impression we feel and are conscious of, when we knowingly give rise to any new motion of our body, or new perception of our mind.*'[324] But our socialisation has determined our choices. We may feel we could have chosen otherwise, but Hume rejects this doctrine of liberty. Simply feeling that this is the case, does not make it so, he argues. Hume then revisits his discussion of causality and applies it to human behaviour. External and internal factors affect our behaviour and choices. He gives the differences between labourers and nobility as an example.

> The skin, pores, muscles, and nerves of a day-labourer are different from those of a man of quality: so are his sentiments, actions and manners. The different stations of life influence the whole fabric, external and internal; and these different stations arise necessarily, because uniformly, from the necessary and uniform principles of human nature.[325]

A labourer will make different choices and decisions based on his life experience, and because this life experience has made him different to the man of quality. This has a very deterministic ring to it. It may allow the day-labourer a limited ability to choose within the confines of his given world, but it prevents him from being able to critique the structures of the world that have placed him in this position. Hume cannot account for how such a critique might happen, given his particular descriptions of sympathy and our socialisation.[326]

Smith, while allowing that the difference between a porter and philosopher is made by experience and education, recognises that the porter or labourer could judge the society of which they are a part, critique it and it values, and choose a path in life that differs from the dominant one offered. This difference between the

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[324] *Treatise*, Bk II.iii.1, p.399.

[325] Treatise, Bk II.iii.1, p. 403.

[326] Terence Penelhum argues that Hume's rejection of liberty as the possibility of being able to choose otherwise is based in his enmity towards rationalism. See his chapter 'Hume's Moral Psychology', in *The Cambridge Companion to Hume,* ed David Fate Norton (Cambridge: Cambridge University Press, 1993) 117 – 147.

two philosophers can be laid down to the larger role Smith accords to judgement in the moral process.

I return again to Horkheimer's account of substantive reason discussed in chapter one. This understanding of reason sees its development occurring in an embedded and historical context. Reason develops in dialectic with the particular social and economic circumstances of the individual's life. Horkheimer does not and cannot give the ideal conditions of development, but from his criticisms of capitalism and the media industry, it is clear that conditions which offer a homogenous view of the world are a danger to critical reflection. On this understanding of freedom of judgement, there is no absolute, ahistorical standard of free judgement, but judgement may differ substantially from the dominant one cultivated within a particular society. We can infer that for Horkheimer, the capability for critical reflection and substantive judgement is developed over time and through exposure to different values, standards and ways of living. This process accords well with Smith's description of how an individual learns to behave with propriety.

3.2.3 Propriety

I now turn to discuss propriety, for in Smith's discussion, it denotes the achieved expression of a morally developed person. By this I mean propriety occurs when the moral individual feels the right feelings and responds appropriately to the feelings of the other actor or her own situation. In this instance, the individual has developed her impartial spectator to a high degree and does not have to rely upon the general rules of her society to know how to act appropriately. It requires a developed capability to judge when the rules are appropriate, and when not, and to what degree they apply according to the many

variations in individual circumstances, emotions and character. The ability to behave appropriately implies a sophisticated judgement on the part of the moral individual.

The first section of TMS is entitled 'Of Propriety'. In it Smith discusses feelings or passions, the sharing of these feelings between individuals and the various externalities that affect passions. In this, he was likely influenced by Samuel Clarke, a slightly earlier contemporary Anglican clergyman, who argued that duty consisted in acting suitably to the different relation of things.[327] Similarly, Smith lays down some guidelines as to what is the appropriate expression of passions under different circumstances and how we are socialised to express the proper passion through our natural desire for the sympathy and approval of others. At one point he defines propriety as 'the most perfect correspondence between [the actor's] sentiments and ours'.[328] When judging the propriety of other actors' actions or passions, we judge based on whether we regard their emotions as falling in a mean between two extremes; either too much or too little passion depending on the circumstances.[329] Smith gives an example of characters we admire, who exhibit magnanimous self-restraint in the face of life's calamities. On the other hand, in other circumstances, we criticise an individual if

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[327] Clarke was born in 1675 and died in 1729. Smith reads him as saying virtue consists in acting suitably to the different situations we stand in' (TMS, VII.i, p. 265). See D.D. Raphael's introduction in *British Moralists, 1650 – 1800*, vol. 1 (Indianapolis: Hackett, 1991). Schneewind explains Clarke's idea of 'fitness' as 'the necessary and eternal relation of things to one another'. These relations are not absolutely necessary in a philosophical sense, but are such that any wise entity would follow them. See chapter three of *The Invention of Autonomy*.

[328] TMS, I.iii.I, p. 48.

[329] Alexander Broadie discusses the process of judging propriety and its affinities to Aristotle's golden mean in 'Aristotle, Adam Smith and the Virtue of Propriety', in *The Journal of Scottish Philosophy*, 8 (2010), 70 – 89.

they do not display enough spirit or self-pride when the occasion clearly warrants it.[330]

To achieve this perfect relation of passion and judgement, and the ability to judge correctly the expression of passion or actions, the individual needs to develop the faculties of imagination and judgement, as well as command of her passions and desires. As described in the previous chapter, this happens naturally through our sociable instincts for approval and communion of feeling. Our socialisation in a family, wider community and through our life experiences progressively develop the skills and attitudes necessary to act with propriety. This description of our moral development in society has strong affinities with the virtue ethical accounts of ancient Greece.[331]

The significant characteristics of a well-developed moral character are self-command and good judgement. As discussed in chapter two, Smith regarded self-command as foundational to the development of the other virtues; prudence, benevolence and justice. It is developed in the process of sympathy, when we try to bring our emotions down to the pitch by which another can empathize with us. This process allows space for reflection and thus space for judgement. Repeated, it becomes stronger and more habitual. Both Lisa Herzog and Leonidas Montes trace the possibility of individual autonomy to our capacity for self-command.

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[330] Smith uses Socrates as an example (TMS, I.iii.I, p. 48).

[331] This has been noted in the literature and a significant debate ranges around whether Smith was more influenced by the Socratic tradition or by Aristotle. Vivenza argues that Smith's writings reflect a Stoic bent in *Adam Smith and the Classics* (Oxford: Oxford University Press, 2001), as do Griswold in *Adam Smith and the Virtues of the Enlightenment*, (Cambridge: Cambridge University Press, 1999) Fleischacker argues that Aristotle is the more influential in Smith's thought. See his *Third Concept of Liberty*. As does Ryan Hanley in 'Adam Smith, Aristotle and Virtue Ethics', in *New Voices on Adam Smith*, ed Montes and Schliesser, London: Routledge, 2006).

Herzog argues that it curbs our short-term interests and thus teaches autonomy.[332] In this instance, she is referring to autonomy from one's own immediate passions, rather than autonomy from the standards of one's own society. The two are related. To be able to restrain or stand back from one's immediate passions means that one could potentially stand back from the standards and values we have internalised through our early socialisation. Montes agrees with Herzog; it 'is the virtue of self-command that leaves room for an inward process of deliberation that stresses the role of duty.'[333] Self-command provides the space in which judgement can work. Certainly, self-command is considered paramount by society. As Smith notes, children are taught it at a very early age. Our family and childhood peers teach us that our emotions and desires are not the only thing that counts. Desiring their approval, we learn to lower our passions to meet theirs. In the process, we develop our second order desires which are the basis for moral judgement. Smith considers self-command a virtue fundamental to developing the other virtues necessary for a good character.

The ability to reflect upon and judge our own passions (or others) may, with life experience or exposure to different values or standards, be also focused on our own society. The cognitive skills required are the same. Judgement is one of the functions of the faculty of reason. It is developed through practice, experience and over time. I have argued in chapter two that judgement is best developed in those conditions that provide standards and role models to the young

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[332] See chapter six in her *Inventing the Market: Smith, Hegel and Political Theory* (Oxford: Oxford University Press, 2013).

[333] See his chapter four on Smith's concept of propriety in *Adam Smith in Context: A Critical Reassessment of Some Central Components*, (Hampshire: Palgrave MacMillan, 2004). In this chapter, Montes is arguing that Smith's philosophical concept of propriety, which requires self-command, provides the basis for a deontological as opposed to a proto-utilitarian ethical theory.

individual. Once out in the world, the individual must practice the skills she developed in youth. Depending upon her job, social circumstance and wealth, she will be exposed to new situations and experiences. Judgement will have other standards and values to work with. In its mature form, judgement can assess the standards by which it was initially developed and by which it operated. The impartial spectator which was developed under the careful watch of family, playmates and community can learn to judge their standards by other standards it has encountered. Thus the impartial spectator can be autonomous in the sense that it is not forced to judge always by the standards or in the ways by which it was initially developed. It will not be autonomous in the Kantian sense of discovering an ahistorical, unembedded law. Standards and way of thinking will always be what it is possible to think in a particular era given Smith's description of our psychology. Although he holds humans have natural faculties, instincts and passions, their expression is determined by the society in which they were developed. It is these expressions that form the basis for moral standards and the development of the impartial spectator.

In order to develop the capacity for good judgement, we need to exercise it. We learn through experience, and exposure to a variety of situations will increase our capability. Smith argues that one of the advantages of his new system of commerce is that it releases its participants from dependency upon the favour of one patron, as in the case of the feudal lord.[334] The main problem he sees with this economic system is the insecurity to the individual of relying upon one source for all of one's material existence. However, is it also not conducive to developing independent judgement to be reliant on one individual for one's livelihood. The

[334] WN, III.iv, p. 420.

danger in the feudal situation is that the impartial spectator will never gain autonomy from the social values by which it was developed. There are no other options by which judgement can measure. The labourer or servant is constrained by her economic and social conditions to view her life and its possibilities in an extremely narrow fashion. Given my description of the conditions necessary for the development of an independent impartial spectator, such a life of limited possibilities will result in her judgement being strongly conformist. There will be little chance to develop autonomous judgement without alternative views and experiences being available to the individual.

Smith's high value on the ability to judge well is evident when he worries about the effect of repetitive work on labourers' ability to judge, and in his concern about the warping of judgement by our tendency to admire the rich. Smith alludes to this when he claims that a farm labourer or husbandman will have a better judgement than a factory worker because the farm labourer must deal with a variety of jobs and problems in the course of the farming seasons, while the factory worker is in danger of becoming 'as stupid as can be' through the repetitive nature of his work.[335]

3.2.4 Responding to Horkheimer's criticism

Lisa Herzog makes a useful distinction between two types of autonomy in her discussion on markets and autonomy. The first she denominates 'competency' which refers to the ability to act on one's preferences, in other words, not to be restrained from doing what one chooses to do. The second is 'the authenticity

[335] WN, I.x.c, p. 143.

condition' which denominates acting on one's own desires, that is, desires that one has reflected upon, endorsed and can identify with.[336] In this type, Herzog refers to the ability to genuinely choose life goals and values by which to guide our lives. It is this second version of autonomy and its corruption that Horkheimer is concerned with in his criticism of capitalism. Smith recognised it. His section 'On the corruption of our moral sentiments, which is occasioned by this disposition to admire the rich and the great, and to despise or neglect persons of poor or mean condition' was added in the sixth edition.[337] He feared that our ability to make broad judgements could be corrupted by those very sociable instincts that make us capable of morality; the desire for the recognition of our fellow humans, and the desire for approval.[338] Smith's response is to place his trust in the development of the autonomous impartial spectator in a society that encourages its exercise with a variety of values or life-goals to choose from. I will argue in the next chapter that Smith believed, with some safe-guards added, commercial society could provide this environment.

Using Horkheimer's notion of reason discussed in chapter one, and Smith's own account of moral development as a learning process, we can understand the faculty of reason to require development through appropriate education or experience. No society is homogenous. Reason can compare and judge many ends, opinions, and views. In doing so, it becomes sharper, more

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[336] See chapter six in *Inventing the Market: Smith, Hegel and Political Theory* (Oxford: Oxford University Press, 2013).

[337] TMS, I.iii, pp61 – 66.

[338] In this, Smith is recognising the problem that Rousseau had highlighted, the tendency of men to live in the eyes of others. There are several articles and books dealing with the relationship between Rousseau's question and Smith's response. Ryan Patrick Hanley shows how closely Smith's critique resembled Rousseau's in chapter one of *Adam Smith and the Character of Virtue* (Cambridge: Cambridge University Press, 2009). See also Dennis C. Rasmussen's *The Problems and Promise of Commercial Society: Adam Smith's Response to Rousseau* (PA: Pennsylvania State University Press, 2008).

global, capable of handling complex judgements and decisions. The more this is done, the more developed the faculty of reason becomes.[339] For the critical theorists, this is an important human capacity. It allows humans to be free, in the sense that the individual can imagine, and thus live, more possibilities. Conversely, if society is deeply homogenised and values a limited number of ends, then there are a reduced number of possible ways to live or be and reason becomes dull. The ends of human life become reified and reason becomes instrumental. Horkheimer argues that this is precisely what happens to the individual and society under the pressure of a capitalist system.

3.3 A Digression - Classifying Smith's Moral Theory

If my expanded description of Smith's impartial spectator above is correct; that the individual conscience or impartial spectator can develop independence from the initial values that formed it through exposure to a variety of different values, then the question of whether Smith's moral theory is subject to cultural or ethical relativism still raises its head. I believe that Smith cannot escape a certain relativism, and Smith himself appears to accept the inevitability of ethical relativism, though limited by the practical needs of survival for the human species.

Smith's own description of cultural and class relativism regarding certain moral values seems to point to an ethics that ends up in some form of cultural relativism. Against this, Smith holds we have common physical and psychological

[339] David Golemboski makes a comparable suggestion in a recent article where he suggest that a conscience informed by moral pluralism can allow for the individual the possibility of social critique. See 'The impartiality of Smith's spectator: The problem of parochialism and the possibility of social critique', *European Journal of Political Theory*, 0 (2015), 1 – 20 (p.14).

needs and desires which different cultures treat and express in different fashions. Smith recognises different material and social conditions result in valuing matters a basically as life differently. When he refers to the act of infanticide in Ancient Greece, he ascribes its origin to the 'times of most savage barbarity' when resources were scarce.

> The extreme indigence of a savage is often such that he dies of pure want, and it is frequently impossible for him to support both himself and his child.[...] That in this state of society, therefore, a parent should be allowed to judge whether he can bring up his child, ought not to surprise us greatly.'[340]

Smith here provides a historical explanation as to why this practise grew up and was acceptable in a certain period. The moral difficulty occurred when the material circumstances of society changed for the better, but the moral values did not reflect this improvement in availability of resources.[341] The value of life, then is tied to the material resources or lack of in a society. By Plato and Aristotle's day, material circumstances that had given rise to the practice of infanticide had changed. The weakness of the Greeks was not to have recognised that their society's circumstances had changed, and thus that their moral values ought to have changed too.[342] Smith then voices the worry that when 'custom can give sanction to so dreadful a violation of humanity, we may well imagine that there is scarce any particular practice so gross which it cannot authorise.'[343]

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[340] TMS, V.2.15, pp 209 – 210.

[341] 'In the latter ages of Greece, the same thing was permitted from views of remote interest or conveniency, which could by no means excuse it. Uninterrupted custom had by this time so thoroughly authorized the practice, that not only the loose maxims of the world tolerated this barbarous prerogative, but even the doctrine of philosophers, which ought to have been more just and accurate.' TMS, V.2, p. 210.

[342] Smith makes a similar observation when he compares the virtues of the civilised and savage nations. 'Among civilized nations, the virtues which are founded upon humanity are more cultivated than those which are founded upon self-denial and the command of the passions. Among rude and barbarous nations, it is quite otherwise, the virtues of self-denial are more cultivated thons those of humanity.' He puts this difference down to the difference in wealth and security of life between the two. TMS, V.2, pp. 204 – 205.

[343]TMS, V.2, p. 210.

Immediately after this quote, however, Smith qualifies it by arguing that custom could not systematically pervert our sentiments. If that happened, society could not continue to exist:

> There is an obvious reason why custom should never pervert our sentiments with regard to the general style and character of conduct and behaviour, in the same degree as with regard to the propriety or unlawfulness of particular usages. There never can be any such custom. No society could subsist a moment, in which the usual strain of men's conduct and behaviour was of a piece with the horrible practice I have just now mentioned.[344]

In other words, no society could continue to exist where the systematic practices of its members destroyed the conditions for society. Where this happened, the individual would eventually die or cease to be a being that could be moral. Thus, there is a limit to what moral values or practices a society can espouse. This limit rests on the prevention of the destruction of the tribe or society. They do not necessarily prevent the destruction of individual within, as evidenced by the Greek infanticide example.[345]

This limit to what a society's moral systems may approve, however, is too narrow to do the work that is needed of it. If a certain societal practice or institution results in harmful effects for one part of the population, but not necessarily systematic death, then there is nothing inherent in our sentiments to indicate that this is bad, if custom has determined otherwise. If certain practices associated with capitalism damage the worker's ability to genuinely choose their goal in life, on what basis might Smith be able to condemn it? In the next chapter, I will argue that, as a matter of justice, Smith could require society to ameliorate such harms on the basis of the natural resentment felt by an individual to a

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[344] TMS, V.2, p. 211.

[345] David Wong makes a similar point when discussing limited relativism in his essay 'Relativism' in *A Companion to Ethics*, ed Peter Singer, (London: Wiley-Blackwell, 1993).

grievous harm inflicted on her or someone else. Hume's notion of justice, by contrast, cannot even recognise this as a harm. His account of justice reifies the prevailing institutions of society thus disadvantaging any individual that is harmed by them.

Horkheimer in his essay 'On Truth' denies that there is an overarching, ahistorical truth. But neither, he argues, is truth subjective or random. It grows out of a dialectic process between the individual and her historical circumstance. The same framework can be used to describe Smith's moral position. Smith has no metaphysical grounding for his moral theory. There is no overarching moral law or standard except the prudential base line that must preserve the species. [346] Neither, however, are the moral values arrived at in a random or inconsistent manner. Smith's moral values and laws develop out of what has gone before and change gradually as conditions and views change. In this view, past moral values are not seen as immoral now, but rather they form a stepping stone to current values. They are part of the dialectical history of what we hold to be a virtue now.

3.4 Conclusion

In this chapter, I have examined the development of Smith's impartial spectator, the internalised set of standards by which an individual judges both herself and others in moral situations. Through a comparison with Hume, I have argued that Smith's account allows the possibility that, under the right conditions, individuals can judge their own society, its institutions and its prevailing values.

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[346] Schliesser in 'Articulating practices as reasons: Adam Smith on the Social conditions of the possibility of property', contends that , despite the similarities to Hume, Smith does not want to end in a deflation of morals. But Smith realises that conditions in society change and 'that reflection can make common sense, including our moral self-understanding, itself a moving target. We must live with this uncertainty.' P. 91.

I have argued that, initially, these standards are those of the individual's immediate family, school fellows and community. These standards and the practice of using them to judge behaviour and motives provide training for the development of our judging capability. They influence our emotional development and lead to the development of second order desires which are necessary for moral activity. The individual with a well-developed impartial spectator acts with propriety.

Society, however, cannot rely on the supposition that all individuals develop the impartial spectator to a greater degree, or that all individuals act on it. Smith points out that the impartial spectator may be corrupted by violent passions, or by our own self-interest. He regards moral rules as fundamental to 'the very existence of human society, which would crumble into nothing' should we not adhere to them.[347] Moral rules arise out of the collective sentiments regarding what is acceptable or unacceptable in terms of motives and behaviour. They change and respond to the material and social conditions of the time. They guide our behaviour when the impartial spectator is overwhelmed, and they form the sentiments and judgement of the younger generation.

If, however, our judgement is formed by our socialisation, how can the individual lean to judge her own society or chose a life goal different from that advocated by her family or community? How can we retain autonomous judgement? This question is important for this thesis. It has connection to Horkheimer's criticism that I discussed in chapter one; that capitalism reduces substantial reasoning to merely instrumental. To limit this possibility, Smith's individual must to be able to genuinely choose goals other than those being

[347] TMS, III.5, p. 163.

advocated for by the majority of society. She must be able to judge the value of the standards and goals of her childhood or wider community. I argued that Smith's description of our psychology, and of its developmental nature allows this form of autonomy, under the right conditions. There are three forms of autonomy that Smith's account allows for; (i) autonomy from our immediate desires and passions through self-command, (ii) autonomy from unnecessary interference by society in our choices, and (iii) autonomy from the rules and values by which we were initially socialised through the development of our judgement over time. It is the third form of autonomy that I am interested in, and argue for in this chapter.

There is a fourth form of autonomy, that of the rationalists, that Smith's account cannot support. This form of autonomy is one based on abstract rationality, or some notion of a transcendental deity which David Hume attacked so effectively in his *Treatise*. Smith intention is to found morality on the basis of human nature. Given it deeply socialised development, Smith cannot develop a universal set of moral laws from its examination. This, however, is not necessary to respond to the criticisms that were levelled at capitalism. Human freedom exists in a wide choice of life possibilities in a given historical period, not in an impossible access to a platonic world of forms. It is with the conditions and institutions that society ought to protect to its members that I turn in the next chapter.

CHAPTER 4: Justice and Society

4.0 Introduction

This chapter will examine what Smith describes as justice, both in the individual and in society, and then it will examine the social conditions that must exist in order for this account to work. Traditionally, Smith has been considered as advocating a commutative version of justice based on a liberal conception of the individual and society. He has also been read as a precursor to a socialist or egalitarian understanding of justice.[348] More recently, a third concept of justice based on a virtue ethical understanding of the individual and society has become popular. In this chapter, I hold that the third position best describes Smith's position on justice. Given his description of the relationship between the individual and society, and the importance of socialisation for the development of our faculties, justice must be broader than the purely commutative or economic conception. In this interpretation, justice covers a wider remit than the protection of person, property and the enforcement of contracts. This is highlighted by comparison with Hume's notion of justice which is rooted in the protection of property based on a conception of greater social utility. His account of justice necessarily favours property owners. Smith's idea of justice is rooted in our natural feelings of resentment, and thus allows justice to cover more issues and be applicable to more groups in society. While Smith does not argue for justice in these terms, I argue that his own description of human nature assumes this view of

[348] Samuel Fleischacker's essay 'Adam Smith and the Left' and James R. Otteson's 'Adam Smith and the Right' in *Adam Smith: His Life, Thought and Legacy*, ed Ryan Patrick Hanley (Princeton: Princeton University Press, 2016) give measured assessments of the legitimacy of each association, as well as good bibliographic essays indicating those who champion each position in the Smith literature.

justice. To develop the kind of individual capable of recognising and acting according to justice requires that they be socialised under certain conditions.

An initial reading of Smith's description of justice gives the impression that it is a very narrow concept, one tied to a commutative understanding that only direct harm relating to person and property counts as an infringement of justice. While this is perhaps true of Smith's description of justice as a set of rules, I will argue that Smith has to rely on a much broader concept of social justice in his description of the moral development of the individual. For Smith, injustice and the feeling of resentment are connected, and on his own account, resentment is proper whenever people are treated as inferior to others or prevented from acquiring the capacity for self-command. I have argued in the previous chapter that Smith's understanding of human nature holds that we are deeply socialised beings, and that our faculties and capacities are formed, for better or worse, by the social conditions around us. Our natural desires, such as our desires for self-betterment and for approval, are negotiated and met through our various faculties of speech, imagination and judgement. These faculties can only be developed in a human community. Thus, in order for the individual to become a functioning economic or moral actor within society requires that certain social conditions must be present.

To make this argument I have used the critical theory approach developed by the Frankfurt School in the 1920s and 1930s. As discussed in chapter one, the aim of this methodology was to create guidelines for human action by freeing agents from coercion and by producing enlightenment as to individual's true

interests.[349] This methodology achieves its aims by unearthing hidden assumptions within a particular practice or institution. This critical theory form of investigation is a type of dialectical argument which is essentially intersubjective, beginning from premises accepted by one's partner to dialogue, in this case, Smith.[350] The premises I am relying upon are reconstructed from Smith's description of individual moral psychology in TMS, and what he must assume society contributes in order for a child to develop into a moral actor. These assumptions underpin Smith's idea of the actor in his commercial system. Smith cannot allow that his commercial system will change society to the extent that it cannot socialise individuals to a common set of values or standards, or that society can no longer socialise members to develop skills of social interaction and empathy. There are hints in both TMS and WN that Smith feared this might be a possible development in Britain as the century progressed. He adds his section 'On the Corruption of our Moral Sentiments by our Tendency to Admire the Rich' to the sixth edition of TMS. In WN, he worries about the effect of anonymous city living on the individual's ability to form a moral self.

In this chapter, I will establish three principles Smith holds with regard to the individual and society in order to show that his version of justice must encompass more than the commutative version of justice: (i) individuals have a natural disposition to feel justice, (ii) while individuals can determine what counts as a harm naturally in certain cases, in the vast majority, society determines what counts as a harm, and (iii) the rules of justice develop over time from the

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[349] See Geuss' introduction to his *Idea of a Critical Theory*.
[350] Antti Kauppinen calls this a 'reconstructive internal critique' in his categorisation of different forms of normative social critique. See his 'Reason, Recognition, and Internal Critique' in *Inquiry*, 45 (2002), pp. 479 – 498, p. 482.

collective notion of harm. In order to argue for my broader interpretation of justice in Smith's writings, I will first examine what he explicitly states about justice. In section 4.1 I will discuss his commutative description of justice which is encoded in 'sacred laws' and which Smith believes is necessary for the existence of society. I will then consider how such rules follow on from general social beliefs related to what is regarded as just or unjust. In section 4.1.2, I will examine how such social rules arise from feelings of resentment and the impartial spectator process and will discuss Smith's claim that justice is necessary to the existence of society. To highlight Smith's belief that justice is natural, in the sense that it springs directly from the human sentiment of resentment, I will compare it to Hume's understanding of justice which originates from a sense of its utility to society. In this context, I will address the debate surrounding the role of utility in Smith's concept of justice. While Smith does allude to the benefit of the greater number as a justifying factor for state action in several places, most notably in his account of the sleeping sentinel, I argue that it is a separate motive and not to be confused with his concept of justice which leans closer to a Kantian notion of the value of the dignity of the individual.

The next section of this chapter, 4.2, will examine the conditions necessary for an individual to develop moral judgement. Taking Smith's description of human nature and its relationship to society, I will argue that Smith's developmental account of our faculties and capacities places a moral requirement on society to protect or provide the minimum necessary to develop the individual's most important capabilities. One of the primary capacities necessary to moral ability is the capacity of judgement. As Fleischacker and Weinstein have argued, the development of this capacity requires that certain social conditions

and psychological needs are met. I will examine the evidence in both TMS and WN which indicates that Smith is aware of these needs, and is concerned when they are not met as a result of systematic practices within society. Justice on this view, cannot be merely leaving people and their property alone. Thus justice for Smith encompasses wider concerns about society and the different groups that make it up. This will become evident when I compare Smith's account of justice to Hume's where justice is limited by its focus on property and its origins in utility rather than our natural feelings.

After discussing human faculties and needs in relation to moral capacity, I will go on to argue that Smith would have agreed that the conditions necessary for its development ought not to be damaged and ought even to be encouraged by government as a matter of justice in section 4.3. To do so, I will appeal to the logic of Smith's own description of the dialectical development of moral standards, and to his concept of resentment as the natural foundation of a sense of justice. In this, I will be drawing on Witzum's extension of what counts as justice from the logic of Smith's own description of justice – the resentment of the impartial spectator. The final section will return to Horkheimer's criticism of capitalism as damaging to our capacity for substantive reason and argue that Smith was aware of this potential problem. I will argue that Smith's theory of justice provides him with the justification for demanding government intervention to alleviate such a harm, thus providing a response to Horkheimer's concerns.

4.1 Smith's Description of Justice as Commutative

When examining systems of moral philosophy in TMS, Smith categorises justice into different versions, and states clearly that the justice he treats of above (in TMS, II.ii.1.5) involves abstaining 'from doing [my neighbour] any positive harm, and do not directly hurt him, either in his person, or in his estate, or in his reputation.'[351] This, he notes, is what Aristotle and the Schoolmen call commutative justice. As Smith describes it, justice is a virtue, but it differs from the other virtues in that its observance is 'not left to the freedom of our own wills'. Its violation 'exposes to resentment, and consequently to punishment' the offender. The reason why justice differs in this respect from the other virtues is because its practice, or rather its violation, can easily be recognised by all individuals. Its violation 'does real and positive hurt to some particular persons, from motives that are naturally disapproved of. It is, therefore, the proper object of resentment, and of punishment'.[352] Because most humans, through the process of empathy, will resent positive harms done to themselves or another, there will be a more universal agreement as to what counts as a harm (as opposed to what counts as a benevolence). This allows rules of justice to be formulated in a way that, for example, rules of benevolence cannot. It also means that we will approve the enforcement of these rules through punishment. 'We feel [...] that force may, with the utmost propriety, and with the approbation of all mankind, be made use of to constrain us to observe the rules of [justice], but not to follow the precepts'

[351] TMS, VII.ii.1, p. 269. He mentions two other versions of justice: distributive which he defines as 'proper beneficence, in the becoming use of what is our own, and in the applying it to those purposes either of charity or generosity, to which it is most suitable, in our situation, that it should be applied,'. The second he describes as properly esteeming an object or even ourselves 'which to the impartial spectator it may appear to deserve or be naturally fitted for exciting.'
[352] TMS, II.ii.1, P. 79.

of the sociable virtues.[353] Thus the laws of justice that Smith has in mind are those laws that protect the person, property and contracts of individuals in descending order of importance.[354] This conception of justice is closely tied to the liberal conception of politics that is evident in the *Wealth of Nations*.

In WN, Smith offers principles for regulating and ordering society so that creation and distribution of wealth can occur to the greatest extent. To ensure increased wealth and distribution of wealth, the WN recommends a programme of non-interference by government in the activities of its citizens except where the laws of justice have been violated. On this reading, justice is interpreted as the minimum restraint on the individual that is needed for the continued existence of society. It involves the protection of the person, her property and her contracts.

Smith also requires, both as a matter of justice as well as economic efficiency that the individual be left free to follow her choices. While Smith did condemn various constraints for the limits they placed on economic growth, it is notable that he also condemns them on the basis of the disrespect they imply for the individual. Smith recommends the removal of apprentice restrictions, of tariffs and bounties on imports and exports, and of sumptuary laws by explaining that they are economically ineffective, but also unfair.[355] 'All systems either of preference or restraint, being thus completely taken away, the obvious and simple system of natural liberty establishes itself of its own accord.'[356] Government interference in individual activity, whether it be to restrain or encourage some activity, has the danger that it will unfairly advantage or disadvantage certain

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[353] TMS, II.ii.1, P. 80.
[354] TMS, Smith lists these under the 'sacred laws of justice' in TMS, II.ii , p. 84.
[355] See WN IV.iii, pp 473 – 479, 'On the Unreasonableness of these Restraints even upon the Principles of the Commercial System'.
[356] WN, IV, ix, p. 687.

individuals. It is ineffective because it will skew the choices of individual actors which, if left free of such interference, would set up a more efficient and equitable market cycle. Smith argues in WN that government non-interference will lead to the most efficient use of industry and capital as each man pursues his own interest. The result will be a greater production of wealth for the whole nation.

It is not merely that limiting government interference encourages economic growth, however. The freedom to choose the direction of our lives must be respected. Smith states several times that the individual should be left to direct her own life. This is not simply that we know our own situations best, but, as discussed in chapter two, that we all have the faculty of judgement and are capable of employing it to determine our own ends.[357] Why should the monarch determine whether I may wear extravagant clothing or not? Thus Smith's injunction in WN that we ought to be left free to choose our own path in life has a normative, as well as pragmatic rationale supporting it. The implication is that the just state is one that does not place unnecessary restrictions on our choices and actions, with those actions that cause direct harm to individuals being prohibited and punished.

4.1.1 Formation of the 'sacred laws of justice'

I will argue in this section that the laws of justice develop from the communal sense of harm. In turn, the laws of justice provide a standard of justice by which to guide and form the individual sense of justice. The societal standard

[357] See WN, II.iii, p. 346 where he admonished the sovereign that he 'may safely trust private people with their [own expences]', and WN, IV.ix, p 687 where he argues that the individual should be left to make her own choices and to follow her own interests in business matters.

of harm provides the basis for the formation of general rules of justice. It is this form of justice that Smith takes as absolutely essential for the continued existence of society. Given that some individuals will have a weak sense of justice and that our sense of justice is liable to be overwhelmed by emotion, particularly in cases relating to ourselves, society has found it prudent to develop rules of justice.[358] Smith goes so far as to claim that without 'sacred regard to general rules, there is no man whose conduct can be much depended upon.'[359] In his lectures on jurisprudence, Smith's describes the remit of law as covering harms in such areas as family, property, and our persons – both physical and reputational.[360] The violation of this kind of justice 'does real and positive hurt to some particular person, from motives which are naturally disapproved of.'[361] This leads the spectator to feel resentment and approve of punishment, 'which is the natural consequence of resentment.'[362] Smith believes the feeling of resentment naturally calls forth a desire for punishment of the offender. On this basis, the social and political institutions of justice develop.

Hume equally recognises that justice is necessary for the continued existence of society, at a certain stage. Early on, humans realise the necessity of safe-guarding possessions for the stability and continuity of society. This necessity is created by two factors; the limited generosity of humans, and the scarcity of external goods.[363] Humans realise the utility of creating laws to protect property. These laws develop with the evolution of property ownership. As

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[358] TMS, III.4.2, 'On the Nature of Self-Deceit, and of the Origin and Use of General Rules'.
[359] TMS, III.5.2, p. 163.
[360] LJ(A), i, pp 7 - 13. See also TMS, VII.ii.1.9, P. 269.
[361] TMS, II.ii.1, p. 79.
[362] TMS, II.ii.1, p. 79.
[363] *Treatise* Bk III.ii.2, 489 – 501. David Fate Norton gives a concise summary of the development of justice in Hume's thought. See his 'Hume, Human Nature, and the Foundations of Morality', in *The Cambridge Companion to Hume*.

described in the previous chapter, Hume saw laws building up out of repeated action and consequent expectation. This is particularly the case for the natural virtues, but justice, for Hume is an artificial virtue. The laws of justice develop from the realisation of their usefulness. We could infer from Hume's description that there are two possible accounts of how justice arises; (i) a form of rational agreement, or (ii) an evolutionary development. I believe the second is most plausible: Hume describes the development of laws occurring in roughly the same manner as a boat is rowed across a lake. To reach the other side, both rowers must co-operate. Yet, neither makes an agreement with the other. The rowing occurs through the rational apprehension of each individual that both have a common interest in regulating their conduct. Over time, a convention springs up, though neither party has given promises to the other. In the same manner the laws of justice develop over time.[364] In this, Hume and Smith share a similar historical account of the development of laws pertaining to justice. But the similarity stops here, for Hume's description of the origin of justice necessarily limits it to property, while Smith's foundation in the human feeling of resentment allow the possibility that justice could pertain to issues other than property.

Smith claims that the laws of justice are more important even than the relief of the poor,[365] and even more dramatically claims that 'the prevalence of injustice must utterly destroy [society].'[366] Smith makes this claim when comparing the importance of the virtues of justice and of benevolence to the existence of society. He does so after describing the kinds of actions he believes damages individuals *and* leads to feelings of resentment. Thus it is not simply that

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[364] *Treatise* Bk III.ii.2, p. 490.
[365] TMS, II.ii.3, pp. 85 – 91.
[366] TMS, II.ii.3, p. 86

an action is damaging that makes it fall within the remit of justice but that it gives rise to certain feelings in the breast of the impartial spectator. As Smith points out just prior to the above claim, society

> cannot subsist among those who are at all times ready to hurt and injure one another. The moment that injury begins, the moment that mutual resentment and animosity take place, all the bands of it are broke asunder, and the different members of which it consisted are, as it were, dissipated and scattered abroad by the *violence and opposition of their discordant affections.*[367]

Smith is pointing out that as a matter of psychological fact, a society cannot continue to exist where mutual animosity, resentment and suspicion flower among its members. These feelings, Smith argues, flow from direct harms to the individual, either in their body, possessions or reputation. Given that certain actions commonly give rise to the sentiment of resentment, which in turn leads to the approval of the punishment of the perpetrators of these actions, society enacts laws which prohibit these actions.

> The most sacred laws of justice, therefore, those whose violation seems to call loudest for vengeance and punishment, are the laws which guard the life and person of our neighbour; the next are those which guard his property and possessions; and last of all come those which guard what are called his personal rights, or what is due to him from the promise of others.[368]

The sacred laws of justice prohibit those harms to the individual which lead naturally to feelings of resentment. Should these feelings become general within society, it would be 'broke asunder'. In this light, Smith can claim that the 'prevalence of injustice must utterly destroy' society. What is interesting about this set of quotations is the focus on feelings, and Smith's assumptions as to what actions will arouse feeling of resentment amongst humans in general. He holds

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[367] TMS, II.ii.3, p. 86 (my italics).
[368] TMS, II.ii.2, p. 84

that feelings of resentment are 'natural' in that they spring up in our breast upon beholding the infamous act. While this might be plausible in relation to bodily harm, (given that all human are embodied and can experience pain), the acts of 'theft' or of 'breaking of contract' have a significant component of cultural construction that means not all individuals might feel resentment upon beholding such activities. This cultural component of what actions individuals could resent will be important in Section 4.3 where I will be arguing for a broader interpretation of justice in Smith.

How does Smith move from the feeling of resentment to the laws of justice? Resentment occurs when we or another are harmed from improper motives. We then examine the demerit of the action, which gives rise to a judgement of the harm done by the consequences of the offender's actions. Smith believes this, in turn, leads to the natural desire that the perpetrator should be punished. He discusses this in his chapter 'That whatever appears to be the proper object of gratitude, appears to deserve reward, and that, in the same manner, whatever appears to be the proper object of resentment, appears to deserve punishment'. Over time, general rules of justice develop from the common experience and sentiments of the community. These in turn, provide the basis for the positive institution of justice and its laws, though Smith does recognise that the translation from moral sentiment to legislation may be imperfect; '[e]very system of positive law may be regarded as a more or less imperfect attempt towards a system of natural jurisprudence, or towards an enumeration of the particular rules of justice.'[369] This connection between the positive laws of a state and the moral sentiments regarding justice will be important for my arguments

[369] TMS, VII,iv, p. 340.

later in this chapter broadening the remit of justice. It points to the importance of the socialisation of individuals to be capable of recognising, acting by and forming judgements regarding justice.

The formulation of the rules of justice is not possible without a community of socialised individuals, as described in chapter three. The creation of general rules of morality relies on the common and shared values of a community. Injustice is that which everyone detests. We learn this through our observation of our society, and also through our natural feelings towards certain acts. General rules are ultimately founded on the feelings of the individual members, but these feelings are informed by the individuals' socialisation. Society provides the initial standards for justice to the individual, and the conditions in which an individual is socialised. Smith believed the rules of justice centred on those actions that most universally generate feelings of resentment. In this way, the rules of justice garner almost universal assent and thus are easy to recognise and implement. They protect the existence of society.

It follows that the conditions of society must be such that it is able to socialise members capable of being just to ensure its own continuance. To do so, society must be reasonably secure and stable. Smith's claim that justice is necessary for the existence of society rests on his point that society will break asunder where feelings of mistrust and animosity predominate amongst its members. Society needs members who trust each other to a minimal degree and must take steps to ensure this trust can exist. Rules which prohibit those actions that commonly lead to feelings of mistrust and animosity are part of the solution. The other part is the socialisation of society's members to recognise just behaviour and consistently behave in a just manner. Thus society needs to ensure

the conditions that allow for the development of individuals who are capable of understanding, respecting and forming general rules necessary for justice. This is a dialectical relationship. General rules regarding justice in society reduce those circumstances which cause mistrust (freedom from harm, theft or breaking of contracts with impunity) and foster trust amongst individual members. Trust amongst members allows for the development and socialisation of individuals. Smith's description of the formation of the general rules of morality, and of the importance of the rules of justice to the existence of society illustrates this relationship.

To sum up, society requires the rules of justice to ensure its continued existence. These rules develop over time in society, and the individual internalises these as she grows up. Eventually, they provide the initial benchmark of just behaviour for the impartial spectator.

4.1.2 Resentment, Feelings of Merit and Demerit, and Punishment

This section will examine the virtue of justice and how the individual develops her sense of justice.[370] Drawing on my discussion in chapter three, I will point to the importance of socialisation in determining the standards of justice. I will argue that this characteristic of Smith's theory allows us to hold that his own theory allows for a broader understanding of what counts as just than what Smith himself denominates. Justice for Smith is tied to a feeling of resentment on the part of the individual. In this sense, the source of justice is tied

[370] Gloria Vivenza discusses the two aspects of justice in Smith's writings; justice as a virtue and justice as a principle, but she claims that Smith never got round to connecting the two. I disagree and have argued that the principle develops out of the virtue (through experience and repetition of acts denominated as virtuous). See her article 'Justice as a Virtue – Justice as a Principle in Adam Smith's Thought', *Revista Empresa y Humanismo,* XIII (1/10), 297 – 332.

to immediate sentiment unlike Hume's account of justice. Smith is sure that all individuals will feel resentment at certain actions that bring harm to us or others, which in turn generates rules of justice.

The individual capability to be just is founded upon our natural faculties and passions. The particular passion is that of resentment, or rather, the appropriate feeling of resentment.[371] The appropriateness is determined by the standards of a particular society. Where appropriately felt and acted upon, it is called the virtue of justice. Smith had previously discussed resentment in a chapter on the unsocial passions.[372] Smith holds that 'their immediate effects are so disagreeable, that even when they are most justly provoked, there is still something about them which disgusts us.'[373] These 'rougher and more unamiable emotions, which drive men from one another' thus require that those who exhibit them have very good cause to do so before we can sympathise with them.[374] Resentment then, is felt not merely in relation to a harmful action but in addition, the action must be done from reasons or intentions we cannot sympathise with. It can only be counted appropriate in the most limited of circumstances. 'The provocation must first of all be such that we should become contemptible, and be exposed to perpetual insults, if we did not, in some measure, resent it.'[375] Smaller matters are always better neglected. Though Smith calls it a disagreeable passion, he believes resentment is a necessary passion. It protects the individual by

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[371] As noted earlier, Hume was influenced by Joseph Butler's ideas on resentment found in Sermons 8 and 9 of his *Fifteen Sermons*, ed. T.A. Roberts (London: Society for Promoting Christian Knowledge, 1970).Smith takes the notion from Butler that resentment is not necessarily contrary to Christian (viz. good) values. Nature has given it to us for the useful purpose of defending ourselves and others. See also Michael S. Richard's discussion in 'Justice and Resentment in Hume, Reid and Smith', *Journal of Scottish Philosophy*, 6 (2008), 59 – 70.
[372] TMS, I, ii, 3.
[373] TMS, I.ii.3, p. 36.
[374] TMS, I.ii.3, p. 37.
[375] TMS, I.ii.3, p. 38.

'rendering it dangerous to insult or injure him' and is useful to the public 'as the guardian of justice, and of the equality of its administration'.[376] This passion provides the basis for determining injustice and protecting justice.

The determination of what counts as justice involves a complex judgement of the actor's motivation and the action of the involved party towards the actor. Justice is invoked when the spectator's feeling of resentment coincides with the sufferer's feeling of resentment. This can only occur where the spectator approves of the sufferer's feelings and disapproves of the individual's motives and actions that have caused the sufferer to feel resentment. We resent being subject to harm, whether physically or materially. This passion helps us to beat off mischief. But we also resent harm on another's part. As Smith notes, '[m]ankind, at the same time, have a very strong sense of the injuries that are done to another.'[377] So the natural feeling of resentment is not merely tied to actions that concern our own well-being, but are felt for any other human. To respond appropriately also requires judgement or the well developed impartial spectator. In observing another's predicament, emotions arise in the spectator. The spectator must then determine whether they coincide with that of the actor. In making a moral judgement, the spectator must determine such facts as whether she approves of the motivation of the perpetrator of the action or not, whether the recipient is over-sensitive and whether she is warranted in her reaction. Where the right conditions are met, the spectator will feel resentment on the recipient's part.

On some occasions the impartial spectator will judge that recipient does not feel the proper resentment when she ought. As Smith points out, though

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[376] TMS, I.ii.3, p. 35.
[377] TMS, I.ii.3, p. 34.

society in general does not approve the expression of this disagreeable passion, it disapproves of those who do not feel it when they should. A 'person becomes contemptible who tamely sits still, and submits to insults'. This behaviour is called 'mean-spiritedness', and Smith believes strongly that we ought to 'maintain our own rank and dignity in society' and this is 'the only motive which can ennoble the expression of this disagreeable passion'.[378] In this situation, the role of judgement is clear, for the spectator feels resentment, though the recipient does not. Judgement notes the disparity between the emotions and comes to the conclusion that the recipient is lacking in some important personal characteristic. Thus though the feelings of resentment and hatred are generally disagreeable, and though they must be hedged round by many social and psychological requirements before their expression can be appropriate or justified in society, they are important human passions because they form the basis of the most significant institution in society; justice and the rules of justice.

Resentment prompts us to punish the wrongdoer. Punishment and reward are motivated by feelings of resentment and gratitude where these feelings are appropriate as judged by the impartial spectator. When 'the heart of every impartial spectator sympathizes with [the individual's feelings], when every indifferent by-stander entirely enters into, and goes along with them', then punishment or reward is due.[379] What counts as a harm that warrants punishment, or a meritorious action that warrants reward is determined by society and the individuals' own sentiments. Some acts so clearly harm us physically or psychologically (which we know through experience and extrapolation from our

[378] TMS, I.ii.3, pp. 34 – 38.
[379] TMS, II.i.1, p. 69.

shared physical and psychological commonalities) that Smith believed most humans would resent them and support their punishment. These feelings lead to the development of the rules of justice.

In focusing on sentiments, Smith offers an indirect criticism of Hume's account of justice. Smith highlights the strength of our feelings in relation to harm. He, however, does not view our feelings about harm as merely prudential, a biological reflex to ensure our immediate survival, or the survival of society which, in the long run, is necessary for our survival. He points out that we resent an action because it is wrong. The harm done to the individual is resented: 'so when a single man is injured, or destroyed, we demand the punishment of the wrong that has been done to him, not so much from a general concern for the general interest of society, as from a concern for that very individual who has been injured'.[380] We resent his ill treatment, and wish the culprit punished. The sight of his harm, or the story of his harm rouses our emotions, putting the impartial spectator process in train and resulting in feelings of resentment and a desire to punish the wrongdoer should it be in our power.

This account of justice rests upon the immediate feeling of resentment of the spectator, and judgement of the spectator both that the action caused harm and that the person who did so, inflicted the harm without proper cause, i.e., we didn't sympathise with the motives. The feeling of resentment is aroused by the harm done to the individual out of improper motives. In emphasising this point, Smith is criticising utilitarian accounts of justice, and implicitly, Hume's account of justice. Hume also offers a sentimentalist account of justice but the original source

[380] TMS, II.ii.3.11, p. 90.

for the feeling of justice is in consideration of what is good for society as a whole rather than a feeling of offence aroused by the harm done to the individual herself.[381]

In WN, Smith gives a second account of justice that is historical in nature. In Book V on taxation, this account co-relates the laws of justice to the increase in material wealth of communities over time, and refers to the development of the institutional laws of justice. In this account, Smith ties the laws of justice to property ownership, much like Hume. Thus, Smith believes that among nations of hunters, 'as there is scarce any property, or at least none that exceeds the value of two or three days labour; so there is seldom any established magistrate or any regular administration of justice.'[382] But when society moves to the age of shepherds where inequality of fortune begins to take place, Smith notes that this introduces a degree of civil government but he hastens to add, 'it seems to do this naturally, and even independent of the consideration of necessity [its own preservation]'.[383]

Is this historical account of justice at odds with Smith's sentimentalist account from TMS? Not necessarily.[384] It is clear that Smith is describing the development of the *institutions* of justice and civil government in the WN account. This is a historical account that ties the increasing institutional and legal complexity of the community to the increasing levels of wealth in society. The

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[381] See Bk III, pt 2 in the *Treatise.*

[382] WN, V.i.b, p 709.

[383] WN, V.i.b, p. 715.

[384] Eric Schliesser discusses the question as to why Smith gives an historical account of the development of the laws of justice in his article 'Articulating Practices as Reasons: Adam Smith on the Social Conditions of the Possibility of Property', in *Adam Smith Review*, vol. 2, ed. Vivenne Brown (London: Routledge, 2006), 69 – 97. He argues that Smith gives a historical account explaining the origins and social conditions of the possibility of social phenomena as part of the moral force of the practice.

positive laws and institutions of justice are concerned with the protection of property. Prior to the laws, presumably, there are acts that could be considered unjust, (Smith mentions killing, wounding, beating, and defaming), which, would give rise to feelings of resentment on the part of the harmed individual or other onlookers. The sentimental account of justice describes the initial internalised feeling of justice in the individual. This will eventually manifest, over time in laws that will be historically conditioned. While Smith focuses on the development of more complex institutions and laws over time which relate to property ownership, this account leaves room for laws and institutions of justice that deal with more than property ownership as their subject. The changes will respond to social-economic changes over time and to changes in what gives rise to feelings of resentment amongst a community.

4.1.3 Smith's Response to Hume: a non-utilitarian account of justice

David M. Levy has argued that Smith's conception of justice in WN is based on a robust utilitarianism.[385] D.D Raphael and Stephen Darwall strongly dispute this claim.[386] I will discuss this debate in the context of Smith's response to Hume's conception of justice. That Smith had Hume in mind when discussing justice can be inferred from his deliberately vague 'it has been thought' comment when dismissing the realisation of the necessity of society to our existence as the basis

[385] See his article, 'The Partial Spectator in the *Wealth of Nations*: a robust utilitarianism', *European Journal of the History of Economic Thought*, 1 (1995), 299 – 326.

[386] D.D. Raphael, 'Hume and Smith on Justice and Utility', in *Proceedings of the Aristotlean Society*, 73 (1972 – 1973), 87 – 103. Darwall treats this matter in several papers 'Sympathetic Liberalism' and 'Empathy, Sympathy, Care'. Montes, in chapter 4 of *Adam Smith in Context,* argues that Smith's moral theory has deontological affinities rather than utilitarian.

for forming justice.[387] While Smith did appeal to the utility of institutions for their justification in certain instances, for example in the case of court marshalling a sleeping sentinel, I will argue that this is not necessarily a justice-based justification. I will examine Hume's view next.

Justice for Hume is concerned with the protection of person and property. This is because he recognises that the problems it is meant to forestall only arise once a society with minimum level of goods exists. Given the human characteristic of self-love, and the moveable nature of most goods, society must develop a safeguard to protect property and therefore its own existence. Justice, for Hume involves a sense of duty; that one should refrain from taking another's property. It is not, however, a natural virtue, but only in the sense of 'natural' as opposed to 'artificial', (not 'natural' as opposed to 'miracle' or 'rare').[388] On this understanding of 'justice' as artificial, Hume means that the feeling of, and esteem for, justice is inculcated by society in the individual. It would not exist in the state of nature (if such a state should exist). This is not to say that justice is an idea for Hume. He states clearly in his chapter 'On the Origin of Justice and Property' in the *Treatise* that justice is an impression, that is, a feeling, but the difference between this feeling and the feeling of gratitude or love for one's children, is that the latter arise naturally from our nature, presumably as a form of instinct, whereas the former, justice, is inculcated in our psyche by family, society and the government, and would not arise in our breasts if we had not been brought up in society. Hume goes on to discuss why society is concerned to inculcate this

[387] TMS, II.ii.3, p. 87. Smith is not hesitant to attribute authors to other theories or views he has under discussion elsewhere. He mentions Mandeville, Hutcheson, Hobbes, Aristotle, Plato by name when critiquing their theories.
[388] *Treatise*, Bk III, Part 2, pp 474 - 5

feeling of duty. He believes this involves two considerations; firstly, the origins of the institution of justice, and secondly, the reasons why individuals and society approve of the institution and virtue.

Hume gives a description of the development of society over time. Humans by necessity, natural inclination and habit live in societies or communities. Society's benefits to the individual are obvious after a little reflection; it provides defence, the physical necessities and the human interaction we need to survive and indeed flourish in.[389] Human nature, however, is full of contrary impulses. As Hume notes in his chapter on property in the *Treatise*, humans love themselves better than any other and wish to accumulate as many goods and wealth as possible, an impulse which could lead to actions that damage human relations and eventually to the dissolution of society if left unchecked.[390] Hume notes that goods not tied down are easy to remove so that people's property is in a precarious position with the foreseeable consequences of distrust and dissolution of society. Individuals quickly realise, however, that as easily as they may take possessions from their neighbour, so may another do the same with their goods. With a little reflection, we quickly realise a tacit agreement not to rob one another's goods which will lead to benefits for all. Over time, this convention develops into the legal institutions of property, rights and obligation.[391] This justice is not simply a matter of civil law, but also of a 'feeling' of duty within the individual.

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[389] *Treatise*, Bk, III, Of the Origin of justice and Property, p. 485.
[390] See also his chapter on the Origin of Justice and property in the *Treatise*, where he notes 'This avidity alone, of acquiring goods and possessions for ourselves and our nearest friends, is insatiable, perpetual, universal, and directly destructive of society.' P. 492.
[391] *Treatise*, Bk III, Part 2, p. 498.

The feeling arises from socialization by parents (who see it as a socially approved value and one the children need to get on), by politicians who see it as important to the governing and stability of the country, and by individuals who have a concern for their reputation.[392] It is true that early in society, the feeling of justice is consciously developed for the continuation of society; in other words it is a product of reason and experience as to what is beneficial to the individual in the long run, and thus it is an artificial virtue, but as Hume points out, the ability to reflect on what is of benefit to us is a natural propensity in humans, and in this sense, justice is the natural outcome of human society.[393] However, as experience shows, this feeling of justice/duty is not an inevitable or guaranteed motivator to human action, nor do all individuals have so perfect an understanding as to know their real long term interests, so society needs the law and magistrates to maintain justice and security.[394]

This description of Hume's account of justice highlights what is distinctive about Smith's account. Smith holds that justice originates in a natural feeling of resentment which is triggered when the individual views or learns about a harm deliberately done to herself or another for motives she cannot approve. For this reason, humans rather than animals are the proper object of resentment.[395] Humans are capable of consciously understanding the effects of their conduct upon others through the mechanism of sympathy. For Smith, the motive of the perpetrator of the harm determines whether the feeling of resentment engendered in the recipient is appropriate or not.

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[392] *Treatise*, Bk III, Part 2, pp 500 – 501.
[393] *Treatise*, Bk III, Part 2, p. 484
[394] 'Of the Original Contract' in *Political Essays*, p. 192
[395] See TMS, II.iii.1, 'Of the causes of this influence of fortune' where Smith discusses what affect our feelings of merit and demerit.

> What chiefly enrages us against the man who injures or insults us is the little account which he seems to make of us, the unreasonable preference which he gives to himself above us, and that absurd self-love, by which he seems to imagine, that other people may be sacrificed at any time, to his conveniency or his humour. The glaring impropriety of this conduct, the gross insolence and injustice which it seems to involve in it, often shock us and exasperate us more than all the mischief which we have suffered.[396]

It is the motive of the perpetrator that gives rise to the feeling of resentment, rather than the consequences of her harming action. The motive mentioned above is the 'unreasonable self-love' and the 'little account' the actor took of us. His actions show how little he considers our worth. He is blinded by his desire to meet his own conveniency and humour. This enrages us often more than the actual harm done to us.

F. F. Strawson's essay on 'Freedom and Resentment' echoes Smith's account of human nature in that it uses the concept of natural sentiments to account for the justification of punishment.[397] In this particular case, the sentiment (or 'reactive attitude'), Strawson examines in his account of the basis for punishment is resentment. As with Smith, Strawson points to the intention of the perpetrator as the determining factor in whether we feel resentment towards someone who has caused us harm. Strawson argues that this sentimentalist account of justice provides a more persuasive account than the utilitarian for the basis of justice. 'What *is* wrong is to forget that these practices and their reception, [punishment and moral sanctions], the reactions to them, really *are* expressions of our moral attitudes and not merely devices we calculatingly

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[396] TMS, II.iii.1, p. 96

[397] In this essay, Strawson examines 'resentment' in the context of a debate between 'optimistic' and 'pessimistic' determinists regarding the moral status of punishment or moral judgements. This essay can be found in his collection *Freedom and Resentment and Other Essays* (London: Metheun, 1974).

employ for regulative purposes. Our practices do not merely exploit our natures, they express them.'[398] I believe this formulation neatly captures Smith's views the institutions of punishment and justice. It is true Smith recognises that justice provides a benefit to society as a whole, but this is an advantage that falls out from the system, not the origin of the system itself.

Smith's account of the origin of justice is quite different to that of Hume's and is based on a natural passion that, properly judged, leads to the virtue of justice in the individual. In fact, Pack and Schliesser argue that Smith provides a more Humean account of the origin and adherence to justice than Hume himself.[399] They point out that Smith relies on a psychological and evolutionary explanation for the creation of the institution of justice and for humans' propensity to act according to justice. Hume, on the other hand, believes that reason over time allows us to discover conventions that enable us to overcome the limitations of our nature (greed) and of nature (scarcity). Hume concludes that justice is an artificial convention based on its perceived utility to society; and it is why his account of justice is primarily concerned with property. But this appeal to reason and utilitarian considerations is an awkward fit with Hume's contention that we are motivated by sentiments, and his evolutionary view of the development of institutions. Smith's account is based on natural sentiments and this allows us to cut the intimate relationship between justice and property, with the prospect of widening the remit of justice.

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[398] Strawson, p. 25.

[399] Spencer J. Pack and Eric Schliesser, 'Smith's Humean Criticism of Hume's Account of the Origin of Justice', *Journal of the History of Philosophy*, 44 (2006) pp47 – 63.

In Smith's description, we see that justice originates in a natural sentiment that exists prior to the socialisation of the individual and independently of any consideration of the utility of the virtue or institution of justice itself. In fact, Smith emphasis, as mentioned before, that we demand justice 'not so much from a general concern for the general interest of society, as from a concern for that very individual who has been injured'.[400] Unlike Hume, Smith's account of justice originates from a natural feeling of resentment against harm done to the individual for the sake of that individual. It results in the development of the institutions of justice; law, magistrates, courts, etc. In Hume's account, the institution of justice is first created and the feeling of duty imposed by the demands of justice is a consequence. For Hume, justice can only exist in a society with the institution of property. In this, he recognises the problem that individuals will not extend justice to those who are significantly weaker than them.[401] For Smith, justice is based on a natural sentiment that is present in humans in any society, and can be excited by any other human that engages the sympathy process regardless of status or power difference.

The opposition between Smith and Hume's accounts of justice is not so stark, as implied above, however. Hume's actors are socialised to a sense of duty once the institution of justice has been formed. Acts of justice and judgements about justice are informed by sentiments which have been inculcated into the actor by socialisation. In Smith's case, what provokes the feeling of resentment in the individual is also open to social influences. What counts as a harm and the

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[400] TMS, II.ii.3.11, p. 90.

[401] See his discussion of how and why this happens in EPM, III.i, pp 25 – 26. Hume gives examples of human treatment of animals, or of the European treatment of 'barbarous Indians', where the gulf between them is so wide that the superior, though they may treat the inferior with kindness, do not owe them justice.

seriousness of the harm is culturally influenced. I will return to this point in section 4.3 when arguing that Smith's account of justice is broader than Hume's.

I now turn to the debate surrounding the role of utility in Smith's moral theory. In the academic literature there is a view that Smith espouses a utilitarian concept of justice. An opposing view argues against this, and instead posits, with varying degrees of warmth, that Smith is approaching a deontological position on justice. John Rawls, David Levy and Campbell and Ross find utilitarianism at least in the WN.[402] D.D. Rapahel, Montes and Witztum and Young disagree.[403] From my discussion of the role of the feeling of resentment in determining what is unjust, and Smith's emphasis on the harm done to the individual as described above, it is clear that in relation to individual actions, he does not have a utilitarian conception of justice in mind. In discussing systems and institutions of society, however, he appears to refer to their general benefits to society as justification for their practice.

> As society cannot subsist unless the laws of justice are tolerably observed, as no social intercourse can take place among men who do not generally abstain from injuring one another; the consideration of this necessity, it has been thought, was the ground upon which we approved the enforcement of the laws of justice by the punishment of those who violated them. [...] He too is sensible that his own interest is connected with the prosperity of society, and that the happiness, perhaps the preservation of his existence, depends upon its preservation.[404]

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[402] John Rawls in *A Theory of Justice* (Cambridge MA: Harvard University Press, 1971) lumps Smith and Hume into the one category which he designates classical utilitarianism. Campbell and Ross, 'The Utilitarianism of Smith's Policy Advice', *Journals of the History of Ideas*, 42 (1981), 73 – 92 argue that Smith has recourse to utility in his evaluation of practices, institutions and systems. David Levy offers an account of the role of greater happiness as a standard of measurement for the impartial spectator in 'The Partial Spectator in the Wealth of Nations: a robust utilitarianism'.

[403] See D.D. Raphael's article 'Hume and Adam Smith on Justice and utility', in *Proceedings of the Aristotlean Society*, 73 (1973 – 1973), 87- 103. Amos Witztum and Jeffrey T. Young distinguish between different varieties and roles for utility in 'Utilitarianism and the role of utility in Adam Smith', *European Journal for the History of Economic Thought*, 20 (2013), 572 -602). Montes argues for the deontological bent of Smith's normative theory in his *Adam Smith in Context*.

[404] TMS, II.ii.3, p. 87 – 88.

We have good reason to assume that Smith is referring to Hume in this quote. A few paragraphs later, however, he adds a qualifying statement; 'But though it commonly requires no great discernment to see the destructive tendency of all licentious practices to the welfare of society, it is seldom this consideration which first animates us against them.'[405] So, it appears that thought there are beneficial aspects to the rule of justice for the whole of society, this is not the justifying criteria by which it is approved.

Smith does recognise that there are some exceptional cases that we punish 'merely from a view to the general interest of society, which, we imagine, cannot be otherwise secured.'[406] He then gives the example of the sleeping sentinel which has become so prominent in the debate about the degree and role of utilitarian considerations in his moral theory.

> A centinel, for example, who falls asleep upon his watch, suffers death by the laws of war, because such carelessness might endanger the whole army. This severity may, upon many occasions, appear necessary, and for that reason, just and proper. When the preservation of an individual is inconsistent with the safety of the multitude, nothing can be more just than that the many should be preferred to the one.[407]

It appears in this quote that the justice of the regulation for executing a sentinel who falls asleep on duty is justified by utilitarian considerations, in other words, deterrence for the greater good. How can this example be understood in light of our claim that Smith is not a utilitarian? D.D. Raphael argues that the sleeping sentinel example is the exception which proves the rule. He notes that Smith avers

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[405] TMS, II.ii.3, p. 89.
[406] TMS, II.ii.3, p. 90.
[407] TMS, II.ii.3, p. 90.

this punishment goes against what the spectator feels is due, and only the utility of it makes the man of humanity acquiesce to it. [408] Thus Smith concedes too much to Hume by describing the sentinel's punishment as just. Rather, it is useful and this is what justifies it.[409] Witztum and Young develop this analysis by distinguishing between utility as it is used in a utilitarian sense and utility in a colloquial sense which introduces a rationalist element to Smith's moral analysis. They argue that Smith uses utility in the latter sense and that he has no aim of maximizing in his account of justice.[410] I am inclined to agree with both of these views. While Smith does occasionally refer to utility as a consideration in decision making, it is in conjunction with other considerations. Utility is not the origin or even the primary justification for a decision. In the case of the sleeping sentinel, the law requiring execution for dereliction of duty operates during a time of war. I would argue that in extreme situations such as this, justice and all the virtues are superseded by the survival imperative. It is incorrect to frame these situations in terms of justice. Though Smith did so in this instance, he need not have. Had he taken this tack, he would have avoided the difficulty of resolving the contradiction between justice for the individual and social utility.

I have argued that Smith does not found the individual sense of justice on utilitarian reasoning. F. Rosen however, has offered an interesting argument to the effect that though this is the case, Smith did ground the formation of institutions in utilitarian considerations.[411] He points out that justice is a system for the whole

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[408] TMS, II.ii.3, p. 90. Smith claims that the punishment seems so severe in proportion to the crime that 'it is with great difficulty our heart can reconcile itself to it.'

[409] 'Hume and Adam Smith on Justice and Utility', p. 101.

[410] See their 'Utilitarianism and the role of Utility in Adam Smith'.

[411] F. Rosen, 'The Idea of Utility in Adam Smith's *Theory of Moral Sentiments*', *History of European Ideas*, 26 (2000), 79 – 103.

of society. It must be developed beyond the obvious limitations of specific feelings of resentment. For Rosen, utility is what enables transformation of a passion into a legal system. He supports this argument by pointing out that Smith noted we are aware of the utility of punishment long after the feeling of resentment has diminished. This is an interesting argument. But I have already pointed out how Smith moved from the sentiment of justice to rules of justice. It is not necessary to appeal to reasons of utility for the origin of the laws of justice. The formation of laws occurs in the Humean manner of repeated experience, repetitions of feelings and concord of sentiments in society. The impartial spectators of the individual members arrive at similar judgements regarding particular situations and these form the general rules of justice.

There is another argument for the significance of utilitarianism offered by David Levy who ties it to the impartial spectator process. This is an interesting argument. Levy examines the process by which the real, partial spectator ends up with judgements that accord with the accepted views of morality. Levy points out that Smith gained the insight from Berkeley's theory of vision that perception of distance is learned. He argues that Smith realised that judgement of our interests and of others' interests must likewise be learned. This internalised standard of judgement hinges on the imputed well-being of the median individual in society. Levy argues that Smith is a robust utilitarian because his real, partial spectator moves from the perceived well-being of the majority to the well-being of society.[412] Levy has picked up on the significance of socialisation to the formation of the impartial spectator, but holds that the majority of real individuals only internalises the partial perspective of the majority experience in society. In this, he

[412] See his article 'The Partial Spectator and the *Wealth of Nations*: a robust utilitarianism'.

discounts the role of judgement and its ability to judge the social standards by which it was first formed, thus making it impartial, or at least more impartial than an unreflecting acceptance of society's values would be. Furthermore, even if Levy is correct and one forms one's judgement by the imputed well-being of a median individual in society, why should this be necessarily utilitarian? The majority of society might count a certain action or value as important to their well-being because it does, in fact, improve their well-being. An individual would then act by this standard, not for the benefit of the majority, but out of concern for the individual before them.

I believe the significant difference between Smith's conception of justice and Hume's conception is that Hume's is an artificial creation based on utilitarian considerations of what is necessary for the survival and stability of society. While Smith recognises that justice has these benefits, he founds its origin in humans' natural passion of resentment at unjustified harm. Justice, in Smith's sense is natural. It would exist in any version of society, including one not based on property ownership in the Lockean sense. While Smith does include considerations of utility when judging the value of a system or institution, it is not the origin of the system. I draw the conclusion that Smith's system of justice arises out of respect for the value of the individual. Hume's arises out of a recognition of the value of society to the individual.

4.2 Broadening the conception of justice

In this section, I will revisit my discussions in chapters two and three regarding the importance of society for the formation of individual judgement or

the impartial spectator. I will look specifically at the conditions necessary to form a just person, as discussed by Smith, paying particular attention to his concerns where these are not met. In the following section 4.3, I will argue that Smith would have to broaden the remit of justice based on pragmatic and moral imperatives, to ensure that society provides these necessary conditions, or at least, does not damage the conditions necessary for the formation of just citizens. My thesis is that Smith's account of justice is amenable to extension beyond his description of it as commutative. This is highlighted by comparison to Hume's account, the artificial nature of which is tied to the existence of an institution of property.

Smith describes justice as commutative and as originating in the feelings of resentment of the impartial spectator. It is not so clear that this account is entirely 'natural' in Hume's sense of the word. While Smith insists that the feeling occurs before the rule, viz. that we feel resentment naturally upon observing the harmful act before being informed by a general rule (or society) that the act is harmful, this seems to be true in only a few, particular instances. Smith's example of an act that gives rise to natural resentment is that of an 'inhuman murder.'[413] As I have observed before, this is a good example for his purpose in that all humans are embodied and most share the psychological disposition to dislike and fear pain and death. Thus we can imagine the situation and what we would feel if faced with these circumstances, leading us to empathise with the victim. This would lead to the instinctive and universal judgement that such an act was wrong.

[413] TMS, III.4.7, p. 159.

Once we move from examples of physical harm, however, it is not so clear that we would naturally resent the behaviour of the perpetrator or that we would naturally feel resentment at a particular act. The other two events Smith mentions in his description of commutative justice are that of theft and of contract breaking. These acts are more closely tied to particular social or cultural institutions, practices and values. To resent them would require that the individual be socialised in a community that is dependent upon the institutions of property and contracts, and the violation of which would bring harm to the individual. Where an individual is socialised in a community that regards lack of access to material security (food and shelter) as a great harm, then a situation that led to this outcome would give rise to feelings of resentment in the individual. It is this socially learned standard of what counts as a harm that can allow for variation in what could be considered as justice in Smith's writings. We learn about many harms through the mirror of our society. Smith gives the example of seeing the commiseration a loss of reputation or fortune draws forth.[414] The collective sentiments lead to the formation of rules with regard to what counts as a harm and what calls forth punishment. In turn, rules teach the young and educate their sentiments in what counts as a harm.

The virtue of justice is developed within the individual as the other virtues are; a combination of natural feeling, experience, and social education which leads to a capability for developed judgement. Individuals will develop this virtue to a greater or lesser extent. The just person is one who knows what requires gratitude and what requires disapproval, and acts to see that one action is rewarded and the

[414] For an analysis of how society forms our standards and values, see my chapter three and also TMS, III.1.3. For Smith's description of our lamentations regarding the loss of fortune and status, see TMS, III.3.18, p. 144.

other type punished. To ensure the creation of an individual capable of justice, Smith must assume a society that has the conditions that protect and foster the faculties that allow for it.[415]

The faculty of reason is particularly important for the development of an autonomous conscience. As I discussed in chapter three, this faculty allows a variety of operations, the most important of which is judgement. This is initially developed through socialisation to the moral standards of our family and community, and potentially develops some autonomy of judgement from these standards through exposure to other views and values. Smith regards it as an important faculty for the individual, allowing her to choose her ends, actions and interests in a genuine manner. The effects of good and bad judgement affect not merely the individual. Smith recognises that society needs members with good judgement. This can be seen in his descriptions of the virtues and vices of the middle and upper classes. Smith bemoans the shallow concerns of the ruling class, susceptible to flattery and vain pleasures. The middle class, on the other hand, work their way up in the world through hard work and regular morals. This eventually leads them to 'the highest offices'. The ruling class become dependent upon them because 'the whole detail of the administration [is] conducted by men who were educated in the middle and inferior ranks of life'.[416] Society needs those whose judgement could lead to a better society, a society that furnishes both the material and social support needed to develop our human nature.[417]

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[415]Smith does recognise that material conditions affect what we are capable of judging as moral. See his introduction to WN where he mentions that the material poverty of 'savage nations' leads them to countenance the destruction of the very old or young or the infirm, p. 10.
[416] TMS, I,iii.2.6, p. 56.
[417] See Smith's comments on the virtues of the middle class who will become the administrators of the nation in TMS, I.iii.3, pp. 63 – 64.

Evidence that Smith recognised that certain societal conditions were necessary to the development of judgement can be seen in his worry regarding the damage done to this faculty by repetitive work. In Book V of WN, Smith condemns the damage to our rational capability by repetitive work such as happens under the division of labour. It makes the labourer 'as stupid and ignorant as possible for human creature to become.'[418] To remedy this, he advocates attention to the education of the common people. [419] Smith also recognises that the young individual requires the opportunity to a broad sentimental education; to form emotional connections and learn the proper behaviour tied to those connections (as in being brought up in a decent family, or having access to some form of education amongst our peers)[420], to develop the imagination necessary to carry out accurate or appropriate moral judgements.

More generally, one of the requirements Smith notes as necessary for the development of autonomous conscience is that the individual grow up under the gaze of interested spectators. Indeed, he worries that where the individual loses this interested audience, they will lose the desire to have and maintain a moral character. This is a concern he raises in relation to the country labourer who moves to the big city. In Book V of the *Wealth of Nations* while discussing the danger of factionalism among religious sects, Smith notes the change in moral character that occurs to the village labourer who moves to the anonymous city. In the village his conduct is attended to, but 'as soon as he comes into a great city, he

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[418] WN, V.i, p. 782.
[419] WN, V.i, pp 784 – 785.
[420] On this basis Smith disapproves of sending children to boarding schools: 'The education of boys at distant great schools, of young men at distant colleges, of young ladies in distant nunneries and boarding schools, seems, in the higher ranks of life, to have hurt most essentially the domestic morals, and consequently the domestic happiness, both of France and England.' TMS, VI.ii.1, p. 222. See also TMS, III.3.20 for a discussion of the conditions under which a child learns self-command.

is sunk in obscurity and darkness.' He is likely, therefore 'to abandon himself to every sort of low profligacy and vice.'[421]

As sociable creatures, we need the interest, or at least the gaze of our fellow human beings.[422] The natural psychological needs Smith attributes to us in describing the mechanism of moral development; the desire to be approved of, and the desire that others should empathize with our feelings can only be filled by others' interest in our actions and feelings. That the poor man is ignored by society, is for Smith, the greatest drawback of poverty. It is not the physical want of this situation but the psychological harm of being ignored to which he draws attention:

> The poor man [...] is ashamed of his poverty. He feels it either places him out of the sight of mankind, or, that if they take any notice of him, they have, however, scarce any fellow-feeling with the misery and distress which he suffers. He is mortified on both accounts for; though to be overlooked, and to be disapproved of, are things entirely different, yet as obscurity covers us from the daylight of honour and approbation, to feel that we are taken no notice of, necessarily damps the most agreeable hope, and disappoints the most ardent desire, of human nature.[423]

In the above descriptions, Smith is explicitly relying on the gaze and interest of society to meet our psychological needs and to develop and maintain our moral capabilities.[424] Where social developments or institutional changes systematically remove the gaze of society from the individual, or damage the fundamental

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[421] WN, V.i.g, p. 795.

[422] Broadie argues that spectators 'spectate in the strong sense; not just watching but watching to a practical end- to restrain disorderly behaviour and get others to behave with propriety.' He goes so far to liken this activity as a form of vigilantism, but then points out that because of our desire for shared feeling with others and our natural propensity to engage in the sympathy process, we enjoy being looked at and engaging in looking at others. See his article 'Aristotle, Adam Smith and the Virtue of Propriety', pp 79 – 89.

[423] TMS, I.iii.2, p. 51.

[424] Interestingly, the modern critical theorist Axel Honneth has picked up on the moral importance of 'recognition' in the political state. See *The Struggle for Recognition: The Moral Grammar of Social Conflicts*, trans. by Joel Anderson (MA: MIT Press, 1996).

faculties that allow the individual to be moral, then society undermines the very characteristics of human nature that society needs to survive: the ability to be just. Here I am pointing out a pragmatic reason why Smith needs to take some cognisance of how society's social and institutional arrangements affect the individual. On these grounds alone, Smith has to assume that a functioning society has more than the commutative conception of justice operating in order for it to exist.

Smith's description of the development of the virtue of justice requires judgement, experience and guidance to form individuals who will contribute to the formation of and recognition of law. Since law forms from affective feelings of resentment, it is in society's interest to encourage the formation of just individuals; those who hold 'a sacred and religious regard not to hurt or disturb in any respect the happiness of our neighbour'.[425] In Smith's description, the development of values and of judgement in the individual requires the gaze of others. It requires that others know us and care enough to make judgements about our behaviour. This can be lost in the anonymity of a large city or factory. In addition, the repetitive nature of the work in large factories can damage our ability to make large judgements. Human judgement becomes limited to instrumental reason as opposed to the more comprehensive substantive judgement.

To become the kind of moral individuals that we are capable of being, Smith must assume a particular kind of society, one that offers us both independence of choice and action but one that also meets our sociable needs. In addition, society must ensure the development of the capability of judgement so

[425] TMS, VI.ii. intro 1, p. 218.

that we may negotiate between the two, determine our own ends, and in so doing, determine what kind of society and what kind of justice we want. Under these conditions, the individual is most likely to develop a robust impartial spectator, which allows her to make genuine choices about her life. It is this that will prevent us from becoming the unthinking drones that Horkheimer was concerned we'd be reduced to under the institutions of capitalism.

4.3 A Broad Conception of Justice – What Smith Would Have to Agree to

Smith describes justice as commutative. He defines injustice as harm done to person, property or contract, and claims that without justice society must be destroyed. Given Smith's own description of individual psychological development and the formation of the rules of justice, however, I have argued that without certain societal conditions, society could not develop individuals with the capacity to be just. I will argue in this section, that where such inhospitable conditions systematically prevail, or systematically affect a certain group in the population, Smith would have to agree, based on his own account of justice, that injustice has been done. Thus what counts as justice must be broader than preventing harm done to person, property and contract. To be clear, what this amounts to saying is that society may enforce or ensure certain societal conditions 'with the utmost propriety'.[426] So, while Smith championed a liberal conception of government that does not interfere in the activities of the individual (allowing them to pursue their livings and lives in any way that did not violate person, property and contract), on my interpretation, he would have to support

[426] TMS, II.ii.1, p. 80.

governmental or societal actions that prevent damage to the human capacity to be moral, at the very least.[427]

Hume's account of justice, in contrast, cannot be so broadened. Because he ties it to the utilitarian need to stabilise society by protecting property, it cannot be broadened out to cover other harms or non-property owning groups. In this respect, Smith's account is superior because it covers a broader range of harms that we would normally feel are defended against by justice, e.g., harm to body, and even peace of mind which Hume explicitly excludes from the protection of justice.[428]

I have already argued in section 4.2 that for pragmatic reasons Smith's account of the development of the individual has to assume certain societal conditions obtain – the gaze of interested spectators and the space in which to develop the faculty of judgement. I will pursue my argument in this section by showing that Smith's own account of justice could allow that the definition of what counts as a harm be broadened to include harms done to our psychological/moral development where these harms are systematically inflicted by a social institution or practice. I will compare this to Hume's insistence that justice does not cover 'the internal satisfaction of our mind' or the external

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[427] Some philosophers emphasise Smith's understanding of justice and government as liberal, meaning that in principle, Smith does not approve of government intervention in social and economic affairs beyond the minimum protection of person, property and contract. Obviously, I disagree with this reading since I am arguing that Smith's description of the formation of the laws of justice could allow government to legislate against other societal harms. Several philosophers have taken this tack, arguing that Smith did not *in principle* reject government intervention. Smith criticised government intervention when its legislation unfairly harmed particular groups or hindered the working of the economy for the benefit of elite groups. For the first position, see Paul D. Mueller's article 'Politics and Natural Liberty', *The Journal of Private Enterprise*, 29 (2014) 119 – 134, or Craig Smith's 'Adam Smith: Left or Right?' *Political Studies*, 61 (2013) 784 – 798 Pack argues for the second position in *Capitalism as a Moral System*. See particularly chapter 7.

[428] *Treatise*, Bk III, pt., 2, p. 487.

advantages of our body' but only protects possessions.[429] Finally, I will support my position by arguing that Smith would not be adverse to broadening his definition of justice to include societal justice by referring to evidence in his texts that suggests he has an idea of fair treatment of the individual that goes beyond the commutative requirement of 'sitting still and doing nothing'.[430]

In section 4.2 I argued that Smith would have to agree that certain conditions must be available in society to allow the formation of individuals capable of forming rules of justice and of adhering to them. As discussed in chapters two and three, Smith described human nature as requiring society to develop its faculties, to model standards by which to judge propriety, and to provide a gaze which activates the individual's psychological attitude or interest to develop and maintain her moral character. Thus, for prudential reasons, society would not wish that those aspects of itself which enable such socialisation should be damaged and indeed would want to encourage their activity. In this section, however, I will argue that for reasons of justice, Smith would have to agree that society should be configured so as to meet these needs of human nature. Smith's account of justice is based on the feeling of resentment. The spectator must feel this sentiment upon observing or being made acquainted with a situation. To feel resentment will entail that we commiserate with the harm done to the actor and that we do not sympathise with the motive of the person who was responsible for causing the harm. We must feel the resentment in the guise of the impartial spectator, thus avoiding our particular or political views muddying the judgement. The impartial spectator is what any person observing would feel. It is developed

[429] *Treatise*, Bk III.ii, p. 487.
[430] TMS, II.ii.1, p. 82.

through socialisation and experience. It is what anyone in that society and time could feel resentment towards. Smith assumes that all people would instinctively feel resentment against harms done to a person's body, property or contract.

As I have argued, in the latter two scenarios, some notion of this harm can only come from a society in which property or contract play such a significant role that their loss would be a harm. We can easily imagine, however, that individuals socialised in another society might view other actions as harm and resent these as much as an individual in Smith's society might resent theft. Take for example, an individual brought up in Owamboland in northern Namibia in the 1970s and 1980s when a European legal system was administered by the occupying South African government, but where traditional systems of justice were administered in the rural areas by local chiefs and elders. In such a scenario it was possible that someone could legally amass land as their private property had they the money to do so. But should such an individual acquisition of land prevent the poorer members of the community from accessing water or even the land itself to grow food, this would give rise to strong feelings of resentment in the community and the individual would be deemed to be unjust. In such a society, the impartial spectator held that a harm was done where members of the community were unable to feed themselves or their families. In this instance, with the approbation of the community, the chiefs of the community may redistribute access to the land so that all members could meet their subsistence needs.

Amos Witztum also argues that Smith's own account of justice allows that the notion of what constitutes justice could be expanded. Drawing on Smith's description of the formation of rules, Witztum argues that in principle, though Smith makes a distinction between commutative and distributive justice, both are

manifestations of the same principle; that of moral approbation and subsequent desert.[431] How Smith distinguishes between the two is based on the strength of the sympathetic emotions felt by the impartial spectator. Where the spectator feels resentment at the treatment of the individual, this indicates that justice has been violated. Smith believed these feelings would arise in relation to harms done to person, property and contract. It would however, be perfectly possible to develop a much broader concept of justice where the majority of society came to feel that the lack of certain social or economic goods was a harm. Witztum argues that 'frustrated expectations' concerning one's due may become an issue of commutative justice. He gives the example of workers' wages in a time of surplus wealth. The question arises as to how to divide the surplus between the labourer and the capitalist. If the labourer's wages stay the same or are decreased from the previous year, this is likely to lead to resentment. Where this type of commercial activity is widespread, the general population is likely to feel a corresponding resentment with the labourers. Where the feeling of the labourer's frustrated expectations reach a pitch where this frustration becomes viewed as a harm, wages become a matter for commutative justice.[432] The change in status from distributive to commutative justice is made possible by Smith's description of the formation of rules which is based on a dialectical relationship between the individual and society. Society forms and socialises the individual to a set of values. It provides the arena within which the individual develops her ability to judge. Thus Smith's description of the impartial spectator process can allow that a

[431] Amos Witzum, 'Fairness and Justice in Smith's Economic System', London School of Economic Discussion Paper Series, 1996.
[432] Witzum, p. 17.

broader set of actions could be viewed as harm leading to feelings of resentment and thus requiring that justice be viewed differently to the commutative version.

Other commentators have tried to ground Smith's notion of justice by reading a concept of dignity of the individual in his texts. On this basis, there are some things we ought not do to an individual, and some things that ought to be available to the individual. Darwall, Fleischacker and Griswold point to a descriptive moral egalitarianism in Smith.[433] Debes argues that 'in Smith's moral theory the worth of persons is had most fundamentally in virtue of what is distinctively affective in human nature.'[434] He attributes justice or any type of moral judgement to a simulationist experience whereby I imagine myself as you. This action requires a realisation that in some respects, I am similar to you.[435] Certainly Debes is correct in basing the requirement for respect on our common affective nature, but his point can be developed further. If this ability is the basis of morality, then at the very least, society ought not to support institutions that damage this ability. Given that Smith holds we are similar in our physical and psychological make-up, and famously, that we are all fairly equal in our talents and intelligence, it clear that he has a more complex conception of the individual and our interaction with others than a traditional liberal account.[436] We are sociable creatures and our human faculties are developed amongst humans. Any

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[433] See Stephen Darwall, 'Sympathetic Liberalism', *Philosophy and Public Affairs*, 28 (1999), pp 139 – 169, Charles Griswold, *Adam Smith and the Virtues of the Enlightenment* (Cambridge: Cambridge University Press, 1999) or Samuel Fleischacker, *On Adam Smith's 'Wealth of Nations'* (Princeton: Princeton University Press, 2004).

[434] Remy Debes, 'Adam Smith on Dignity and Equality' in *The British Journal for the History of Philosophy* (2012), pp. 109 – 140, p.110.

[435] Debes, p. 110.

[436] Compare to Hobbes' description of human psychology in chapters 11 and 13 of *Leviathan* (London: Penguin Classics, 1968, 1985).

framework that undermines the faculties that allow us to judge is in danger of creating 'mutilated' citizens.

It is evident in the above discussion that Smith's notion of the virtue and institution of justice are grounded in the value of the individual. Hume's, in contrast, is grounded in the utility of the institution to society as a whole. Hume takes property ownership to be the main advantage of society, and given its scarcity and ease of removal, justice is the necessary institution that guarantees stability of ownership.

> There are three different species of goods, which we are possessed of; the internal satisfaction of our mind, the external advantages of our body, and the enjoyment of such possessions as we have acquir'd by our industry and good fortune. We are perfectly secure in the enjoyment of the first. The second may be ravish'd from us, but can be of no advantage to him who deprives us of them. The last only are both expos'd to the violence of others and may be transferr'd without suffering any loss or alteration; while at the same time, there is not a sufficient quantity of them to supply everyone's desires and necessities. As the improvement, therefore, of these goods is the chief advantage of society, so the instability of their possession, along with their scarcity is the chief impediment.[437]

In this paragraph, Hume limits the remit of justice to property theft with little argumentation for his position. In fact, his description of justice limits it benefits to a very specific class or group of people. Even his dismissal of harms committed against our peace of mind or body display a lack of understanding or sympathy with those in a powerless position. Hume's claim that we are 'perfectly secure' in the enjoyment of our peace of mind shows little understanding of the position of the dependent individual in a class structured society. Peace of mind is easier to maintain in situations of social equality and financial independence. Take, for example, the working labourer who has an abusive and bullying boss, who

[437] Treatise, Bk III.ii, pp 487 – 488.

(particularly in an age without social welfare), has no other source of employment or means to support herself or her family. In these circumstance, it is likely that the peace of mind of the individual will be harmed, and we would want to argue, unjustly so. Equally, while Hume recognises that the 'external advantages of our body' may be ravished from us, he concludes that they do not fall within the remit of justice since the loss of these benefits do not enrich the ravisher. Apart from ignoring the harm and distress caused to the individual by such an act, Hume fails to recognise the fact that such harm will have more detrimental consequences for the working labourer than for the property owner; (or additional harm for the poorer property owner). The working labourer in Hume's day lived by the labour of his body. When ill or injured, such a labourer had no means of supporting himself or his family, and often ended up relying on charity or the poor law system. Again, it seems that Hume excludes from justice an aspect of harm that many would want to say falls under the remit of justice, and that seems to unfairly disadvantage a particular group in society.

Hume claims that property is the concern of justice since its accumulation and enjoyment 'is the chief advantage' of society, and because of the problems of scarcity of goods, and the human desire to accumulate more of them, the protection of property is necessary. Apart from being a limited conception of the advantages of society, this limiting of the remit of justice to harms done to property necessarily confers and reifies an advantage to the property owning group in society. This point highlights the advantages of Smith's conception of justice which is meant to confer protection on individuals from all backgrounds and classes. Smith view of the advantages of society are broader than Hume's and include a recognition that it provides an important component for meeting our

psychological needs and developing our particular faculties. Smith's concept of justice would allow us to recognise harms that occur in relation to these and other aspects of living in society.

We can see how justice would be invoked in the situation where the conditions that Smith has specified as necessary to our moral development were somehow removed or impaired, or changed so as to systematically damage the individual's capability be moral. It could be a practice that damages the actor's capability to make substantive judgements, or social circumstances that provide no gaze or a disinterested gaze such that it inculcates the psychological attitude of disinterest in one's own character. Imagine further that such disadvantages occur only to individuals belonging to a particular group. In this scenario, it is plausible to assume that the impartial spectator would feel resentment at this situation. There are several kinds of harm that the spectator could resent in this situation, all of which Smith deplores in his writings. If the harm is done to the individual capacity to judge, then the human characteristic of moral capability is damaged. Smith describes this kind of damaged individual as 'mutilated and deformed in a still more essential part of the character of human nature.'[438] It makes of the individual a lesser human and thus is wrong. It will also render her less capable of making good choices for her life. Where this damage happens by virtue of belonging to a particular group, it is unfair. Since Smith held that all individuals are equal in terms of faculties and capabilities, and on this basis argued that we ought to have the right to make important choices that affect our own lives, then

[438] WN, V.i.f, p. 788.

where someone is rendered unable to do so by virtue of group affiliation, this is an affront to the equality of individuals.[439]

Finally, and pragmatically, society will be harmed where its members lack the capability of making moral judgement. This means that the cohort of individual so disabled will be unable to contribute to the formation of moral rules and thus to the formation of standards by which they and their children should judge. It also means that the security of society will require more external coercion rather than being able to rely on the internal assent of its members to its rules of justice. In the event of any of these scenarios, we would have to denominate the practices or social conditions which led to them as unjust, and ensure they are removed or ameliorated. I will discuss Smith's views on this problem in relation to the labouring poor in the next chapter.

How might Smith view this interpretation of his theory of justice in the twenty first century? I want to argue that, based on the evidence from his published texts, Smith was in favour of the 'equitable' state and argued for the fair treatment of many disadvantaged groups in society. Smith makes frequent allusion to the proper treatment of people and in vivid description condemns situations when individuals are not well treated. Ill treatment can take the form of actual physical abuse, as in the case of the Negros from the coast of Africa, or the skewing of working conditions and prices to favour the richer over the poor. Smith argues for a notion of fairness in the treatment of individual. 'It is but equity besides that they who feed, cloath and lodge the whole body of the people should have a share of the produce of their own labour'. After all, Smith

[439] I discussed Smith notion of the equality of the individual in chapter two.

continues, a nation cannot be 'flourishing and happy' while the greater part of its inhabitants are poor and miserable.[440] He condemns the poor treatment of African slaves, and describes the settlement laws that prevented the poor man from 'employing his strength and dexterity in what matter he thinks proper' as 'a plain violation of this most sacred property.'[441] In Book V of the *Wealth of Nations*, he holds that taxes ought to fall fairly on the population, and singles out taxes that 'frequently fall much heavier upon the poor than upon the rich' for particular criticism.[442] It is evident Smith holds there is something wrong when people are treated unfairly. In his criticisms of merchants who conspire against the consumer, or who combine to lower wages, Smith is focusing on the unfairness of the situation. He points to the abuse of their advantageous position *vis a vis* the consumer or the worker as wrong.

In Smith's own discussion of justice and beneficence in TMS, concern with equity and fairness in society would seem to fall on the beneficence side of the equation. In the comparison, Smith argued that justice is necessary for the existence of society whereas beneficence merely makes it comfortable. In this chapter, I have questioned whether or not his narrow description of justice would cover all that society needs in order to exist. Leaving this aside, surely society should do more than aim to merely exist? Smith hints as much when he declares justice 'does no real positive good, [so] it is entitled to very little gratitude. Mere justice is, upon most occasions, but a negative virtue, and only hinders us from

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[440] WN, I.viii, p. 96.

[441] WN, I.x, p. 138. On the unfairness of the colonial treatment of the Negros of the coast of Africa see TMS, V.2.9, p. 206. See also WN, IV.vii.6, p.588 where he describes the establishment of the colonies as based in 'the injustice of coveting the possession of a country whose harmless natives, far from having injured the people of Europe, had received the first adventurers with every kindness and hospitality.'

[442] WN, V.ii, p. 846.

hurting our neighbour.'[443] Justice requires the minimum of the individual and the state in order to exist. 'We may often fulfil all the rules of justice by sitting still and doing nothing.'[444] In this, Smith shows a limited regard for commutative justice. Perhaps, nearly two hundred and forty years after the *Wealth of Nations* was first published, he would be willing to expand what the impartial spectator recognises as a harm meriting punishment or amelioration.

4.4 A return to Horkheimer's criticism

I now return to the criticism that Horkheimer made against capitalism: that it damages or inhibits the development of substantive rationality. I believe Smith recognised this problem in his description of the damage the division of labour can cause to an individual's judgement. Smith suggested practical solutions to ameliorate the damage, (such as subsidised basic education, or indeed requiring the professional classes to attain a certificate in higher science) for pragmatic and moral reasons. But, upon my account of his expanded notion of justice, he could also demand the removal or amelioration of the harm by the state as a matter of justice. Thus Smith has the resources within his writings to constrain certain aspects or practices of capitalism where they consistently harm particular faculties, or prevent them from developing.

The idea that Smith recognised certain weaknesses in his economic theory and endeavoured to ameliorate them from the ground of his normative theory is not new. Various authors have argued that Smith recognised the importance of

[443] TMS, II.ii.1, p. 82.
[444] TMS, II.ii.1, p. 82.

society and life experience to the formation of one's character, and the dangers posed where certain institutions of capitalism interfered with the appropriate development of the individual's character. Pack claims that Smith felt deep moral ambiguity towards the system of capitalism, and that his 'deepest misgivings [...] was what it did to the moral characters of the people who lived therein.'[445] Ryan Patrick Hanley also describes the list of drawbacks Smith attributed to his system of commerce which impacted on the psychological well-being of its participants.[446] He argues that Smith worked hard to counteract these deficiencies of the market place by providing a programme for the development of particular virtues which will shore up the human character against the damage of the market. In particular, Hanley highlights the significance of Smith's addition of Part VI (Of the Character of Virtue) to the sixth edition of TMS to make clear the importance of these virtues in combatting commercialism's ills.

Montes, as discussed in chapter three, also focuses on the significance of socialisation to the proper development of the individual. He argues for the importance of sympathy in creating internal constraints on actor's behaviour through the development of self-command and thus moral autonomy. This provides the individual with resources to resist the hegemony of capitalism in encroaching on all spheres of human life.[447] Fleischacker also reads Smith's normative theory as a description of the conditions for the development of autonomy, but argues that Smith saw the market in a positive light, as providing

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[445] See chapter 8 of his book *Capitalism as a Moral System: Adam Smith's Critique of the Free Market Economy* (England: Edward Elgar, 1991), p. 138. Though Pack's solution is to argue that Smith has a classical liberal notion of politics that would allow government to legislate against harms caused by capitalism.

[446] See chapter 1 of *Adam Smith and the Character of Virtue* (Cambridge: Cambridge University Press, 2009).

[447] See chapter 3 of his *Adam Smith in Context*.

the freedom in which the individual can practice their developing skill of autonomy.[448] Lisa Herzog agrees that Smith saw positive aspects in the market for the development of character. It offers opportunities and risks for freedom understood as personal autonomy.[449]

In the above explorations of the relationship between Smith's moral and economic theory, the authors all agree on the significance of socialisation to the development of a moral individual, and that therein lies the possibility of combatting the deleterious effects of Smith's system of commerce upon the individual. This thesis is broadly in agreement with this view of the matter but I further argue that, as a matter of justice, government is constrained to protect the conditions that allow the development of the morally autonomous individual.

4.5 Conclusion

This chapter focused on Smith's description of justice. Using the critical theory method of examining internal assumptions, it compared his description of justice as commutative with what his description of what the development of a moral individual requires. From Smith's psychological description of humans in TMS, we see that humans need a developed faculty of judgement and the interested gaze of others to develop and maintain the ability to be moral. Where these conditions are damaged by a societal activity or institution, it implies that justice requires more than merely 'sitting still and doing nothing'.[450] We need to

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[448] See chapter 7 in *A Third Concept of Liberty*.
[449] See chapter 6 in her book *Inventing the Market: Smith, Hegel and Political Theory*, (Oxford: Oxford University Press, 2013).
[450] TMS II.ii.1, P. 82.

be surrounded by a society that 'is interested to observe [our] conduct', that provides the means for us to own a linen shirt or whatever is required to appear in public without shame, that does not allow ruffians to tyrannise over us on inessential pretexts such as the colour of our skin.[451] Society has pragmatic reasons why it should not allow certain institutions or practices to systematically damage the capabilities of its members. But it can also be required for reasons of justice. I have argued that Smith's account of the formulation of the rules of justice allows for the extension of what could be considered as a harm. The wide remit of Smith's notion of justice is highlighted by comparison to Hume's description of justice as being concerned with property ownership. I argued that this view benefits a limited section of the population, unlike Smith's which allows justice to be developed from any harm that gives rise to feelings of justified resentment

The ultimate conclusion of this chapter is that Smith's theory of justice would have to acknowledge that damage to our capability to judge or to our psychological dispositions that enable us to strive to be a moral individual can give rise to sentiments of resentment, and thus require punishment and redress. This would be particularly the case where an individual is subject to such damage by virtue of belonging to a particular group in society. In the next chapter, I will examine Smith's consideration of the working poor, the difficulty their position in society subjected them to, and Smith's view on a more equitable construction of society.

[451] WN, V.i, p. 796, WN, V.ii.k, p. 876, and TMS, V.2.9, p. 206.

CHAPTER 5: Justice and Poverty in Smith's Writings

5.0 Introduction

Critical theory, as described in chapter one, examines the interconnections between consciousness and society, culture and economy, state and citizen. Its aims to increase the opportunities for freedom of genuine choice for the individual. By freedom, the Frankfurt School means the provision of those conditions that provide the space for the greatest individual self-formation possible in a given historical period. This means the provision of both material support and political liberty in which to develop and exercise our individuality. To be in a position to develop ourselves, we must be capable of substantive reasoning; that is, the ability to judge our own ends and lives. Does the system of commerce described by Smith is *Wealth of Nations* diminish these conditions and damage our capabilities? Horkheimer felt it did, claiming (i) that it develops instrumental as opposed to substantive rationality, and connected to this, (ii) that it leaves the individual with a sense of powerlessness over a system they maintain by their own participation. I believe Smith recognised both of these potential problems and tried to address them. I argue that this is most evident in his treatment of the labouring poor in WN.

It is no coincidence that any weaknesses in his economic system should manifest in the situation of the working poor. Those who benefit least, or who are actually damaged by a system, are best placed to notice it weaknesses. The shortfalls of a system are rarely noticed by those who benefit from it. Like Hegel, the Frankfurt School believed that the 'unhappy consciousness' was the source of

progress.[452] Thus, this chapter will examine the implications of Smith's economic system for the labouring poor. I hold that Smith had the poor in mind when considering the implications of his system of commerce. Keeping Smith's notion of justice in mind, I will argue that WN advocates for improved conditions for the working poor based on moral considerations. Smith recognises, directly or indirectly, Horkheimer's two criticisms in relation to the working poor. In addressing the first problem, that of the maldevelopment of judgement, Smith gives concrete advice on how to counteract the deleterious effects of commercial work on the working class. In relation to Horkheimer's second criticism, I argue that Smith recognises the problem indirectly through his concerns about changes in society, and their negative effects upon the development of the individual. His response can be found in his account of the development of the impartial spectator, and the dialectical relationship between individual and society.

Poverty was pervasive in eighteenth century Britain. At some stage in their life, over fifty per cent of the population would be dependent on their parish for poor relief. The other forty percent would have to pay into the poor fund or kirk charity to support the indigent.[453] Given that poverty was an issue that affected the whole population in one form or another, it would be curious if Adam Smith did not treat of it or at least refer to it in his economic treatise. In fact, he appears to say very little directly about the subject. Gertrude Himmelfarb holds this omission, in the historical context of a debate about abolishing the poor rate, to be significant and deliberate. Similarly, Billet argues that the WN is fundamentally

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[452] See chp. 6 in Bronner, *Critical Theory: A Very Short Introduction*, and the section on Self-Consciousness in G.W.F. Hegel, *Phenomenology of Spirit*, trans by A.V. Miller (Oxford: Oxford University Press, 1977).

[453] Peter H. Lindert, 'Unequal Living Standards' in *The Economic History of Britain Since 1700,* Vol. 1, ed by Roderick Floud and Donal McClosky (Cambridge: Cambridge University Press), 287.

concerned with a just economy.[454] Both agree that Smith favoured the poor and believed his economic system would ameliorate their plight. I agree with their conclusions but argue that Smith presupposed a specific conception of justice that allowed his system of commerce to operate effectively and for individuals to live a good life. This notion of justice, as we have explored in the previous chapter, consisted of more than legal or commutative justice, and entailed certain conditions of life that went beyond the economic; equality of respect, freedom of choice in life matters, freedom of formation of the self, and a healthy community in which to develop the essential faculties of social interaction. I argue in this chapter that Smith believed his system of commerce, under the constraints of justice, would improve the position of the working poor in society. Smith's broad notion of justice, which encompassed both material and social freedoms necessary for human development, would have had most impact on the poorer section of the population in his own day.

The situation of the poor, and the ethical issues capitalism raises in relation to the poor has been considered in the more recent attempts to interpret Smith's economic writing as a coherent whole. These readings have regarded Smith's economic writing to occur within the conceptual framework of his ethical writings. Donald Winch, Emma Rothschild, Spencer Pack, and more recently, Lisa Herzog have argued that the WN cannot be viewed as supporting either a libertarian impartiality or an amoral, technical analysis of economic growth. In examining Smith's moral and social observations, each writer comes to the

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[454] See Gertrude Himmelfarb, *The Idea of Poverty: England in the Early Industrial Age* (London: Faber & Faber, 1984) and L. Billet, 'The Just Economy: The Moral Basis of the *Wealth of Nations*,' in *Review of Social Economy*, (1976), Vol. 34. Reprinted in *Adam Smith: Critical Assessments*, ed. by J.C. Wood (London: Croom Helm, 1983).

conclusion that Smith holds a definite view on the moral status of his system of commerce: from its value being based on its promotion of the liberty and increased prosperity of the poor, to the more radical position that Smith supported redistribution of wealth.[455] I think it is correct to read Smith's writings as a coherent whole but am not interested in the question of how far Smith goes to protect property rights or whether he would countenance redistribution. I believe his injunction that economic activity occur within the bounds of justice has economic implications. Unlike Hume's description of justice as being restrained to protection of property, I have argued that Smith's notion can encompass the provision of conditions to ensure the development of our human capabilities, particularly the capability of judgement and our impartial spectator. This requirement will have social and economic implications for the government.

Section 5.1 will look at the situation of poverty in eighteenth century Britain; who was considered poor, the distinction between the deserving and undeserving poor, as well as the remedies society used in dealing with them. It will look at the difference between Scotland and England's mechanisms to deal with the poor. Section 5.2 examines Smith's approach to the issue of poverty and the poor. While Smith alludes directly to issues of poverty infrequently (a few scattered references to the settlement laws and a brief history of the poor laws), his discussions of conditions that are inimical to human physical and psychological well-being, his unfavourable descriptions of masters and their treatment of labourers, and his insistence on a type of equality of individuals that

[455] Winch, Spencer and Herzog provide readings of Smith consonant with a liberal defence of capitalism as ultimately benefiting the poor worker. See their books *Adam Smith's Politics: An Essay in Historiographical Revision, Capitalism as a Moral System,* and *Inventing the Market* respectively. Rothschild argues that a more 'left' interpretation is equally possible in her book *Economic Sentiments*.

entails a certain respect all point to the idea that Smith had a notion of treatment owed to individuals that would have had particular significance for the poor of his day. I will argue that the *Wealth of Nations* was a response to the poverty of the majority of the population in Smith's day. His aim was to increase the wealth of all sectors of the population and a commercial system could only be justified where it did so for all sectors of the population.

The following section will detail Smith's description of the effects of this new system of commerce on the different social classes. Smith recognised that the repetitive labour of the working class negatively effected their capacity for judgement. In section 5.3, I will analyse Smith's views on individual liberty, poverty and government intervention and will argue that Smith did not disapprove of all forms of government intervention in individual liberty. Where an institution systematically harms a human capacity, government has a duty to remedy it. Smith recognises that such a harm occurs to members of the working poor in relation to their ability to judge, and argues that it must be remedied.

Section 5.4 will examine Smith's position regarding wages, and his defence of the worker's reputation against contemporary charges of idleness and fecklessness. This defence rests upon Smith's belief in the individual's capacity and will to know and work for their own best interest. It assumes that a certain respect is owed to the individual. Finally, section 5.5 will discuss what Smith's account of a just state means for the working poor in the eighteenth century. It will examine how his broader concept of justice improves specifically the lives of the individuals of the working poor. Smith's practical recommendations in relation to legislation, taxation and education presuppose, and are designed, to protect the capacity of judgement against those conditions that could damage its

development. His concerns regarding changes wrought in the living conditions and values of the labouring poor by the economic developments of the eighteenth century provide evidence that Smith believed certain conditions were more hospitable to the development of moral ability. I will argue that while he does not provide concrete proposals to combat these changes, his account of the development of justice and the dialectical relationship between individual and society provides the tools to redirect or combat the larger social forces within which the individual is enmeshed. I will show that Smith's concept of justice protects not merely the liberal freedoms of being able to live the life that one has reason to choose, but also the conditions needed for the individual to develop the skills that enable her to make such a choice.

This account of Smith's treatment of poverty will, I argue, illustrate the workings of Smith's broader concept of justice. Smith was aware of the poor laws of England and Scotland, and gave a brief summary of their history and development in Book I of *Wealth of Nations* (in a section entitled 'Inequalities Occasioned by the Policy of Europe'). In this he focuses on the evil of the settlement laws and the restraints the apprenticeship laws placed on employment and commerce. As I will stress, the striking point of Smith's discussion, however, is not that such legislation is a restraint upon commerce, but rather that it is an impertinence or disrespect of the individual's capability to choose for their own lives. Furthermore, Smith affirms that such restraint upon individual's capability to choose for their own lives is generally skewered against the worker and in favour of the master. Smith's condemnation of this situation could be attributed to economic concerns for a free market. This chapter will argue that normative

concerns play a significant role in Smith's prescriptions for society, and this comes into focus when he considers the situation of the poor in society.

5.1 Poverty in Eighteenth Century Britain

The issue of poverty and of social welfare was one that was regularly canvassed in the eighteenth century, both in parliament and in the public sphere. From the number of contemporary works produced on the subject, plays, prints, pamphlets, parliamentary and newspaper reports, it is evident that few issues attracted as much attention from the literate public as poor relief. In both Scotland and England, it was a matter for discussion, though each had slightly differing mechanisms for dealing with the issue. Throughout the century, the subject of the poor and poverty in general was regularly considered in parliament, in the Commons, in special committees selected to examine social problems, or in committees assigned to draw up legislative proposals to address specific local or national concerns. Between 1736 and 1754, for example, approximately forty acts of parliament were passed aimed at reforming the poor laws as well as dealing with problems of vagrancy, insolvent debtors and quarantine legislation.[456] Outside of parliament, many charitable organisations concerned themselves with various enterprises to educate the poor in useful skills, to instil in them godly and regular habits, and to provide succour for the indigent; the old, the sick, the orphaned, the widowed. The Society for the Propagation of Christian Knowledge (SPCK) set up charity schools throughout England. Their aim was to educate

[456] Richard Connors, 'Parliament and Poverty in Mid-Century England', *Parliamentary History*, 21 (2002), pp 207 – 231.

their charges, not just in reading, but in discipline, and then to find them appropriate employment. The Society for the Reform of Manners (SRM) aimed to discourage drunkenness, swearing, prostitution and working on the Sabbath through prosecutions of offenders.[457] It was an issue that exercised the minds and pens of the famous and not so famous; Edmund Burke had strong views as did Daniel Defoe. John Cary, a Bristol merchant campaigned for a workhouse in his city, and the Reverend D. Davies who lived in Berkshire, published a sympathetic account of his parishioners' situation in 1795. [458]

Who were the poor? This is difficult to measure. Daniel Defoe held that below the middling ranks (who could live well), were four groups; the working hands, country people, the poor and the miserable. Steven King demonstrates that people in these four groups would typically have to spend some part of their life cycle in receipt of parish relief. These four groups comprised of fifty to sixty percent of the population.[459] At the end of the seventeenth century, Gregory King estimated that those whose incomes fell short of subsistence expenditure totalled more than half the population.[460] Initially only those who fell into the category of the deserving poor (the sick, the lame, the orphaned, the poor, the widowed) were considered worthy of aid, but by the middle of the century, it was recognised that anyone whose survival depended entirely on a wage was poor to the extent of not being able to buy the necessities of life to support themselves and their families

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[457] See Mary E. Fissell, 'Charity Universal? Institutions and Moral Reform in Eighteenth century Bristol' and Robert B. Shoemaker 'Reforming the City: The Reformation of Manners Campaign in London, 1690 – 1738 in *Stilling the Grumbling Hive: The Response to Social and Economic Problems in England, 1689 – 1750*, ed. by Lee Davidson and others (New York: St Martin's Press, 1992).

[458] Royston Pike, *Human Documents of Adam Smith's Time* (London: Allen & Unwin, 1974).

[459] See chp. 4 in Steven King, *Poverty and Welfare in England, 1700 – 1850: A Regional Perspective* (Manchester: Manchester University Press, 2000).

[460] John Rule, 'The Labouring Poor' in *A Companion to Eighteenth Century Britain*, ed. by H.T. Dickinson (Oxford: Blackwell, 2002).

for the whole year. Any unexpected event would throw the labourer on the parish; illness, the seasonal nature of much work, old age. This group of people made up at least half, if not more, of the nation's population. Smith certainly believed that the labouring people comprised the majority of the population. In discussing the dangers of repetitive work, he warns of the stupid frame of mind 'into which the labouring poor, *that is the great body of the people*, must necessarily fall unless government take some pains to prevent it'.[461] Again, he opines that 'no society can surely be flourishing and happy, of which the far greater part of the members are poor and miserable.'[462] Thus Smith and his contemporaries recognised that the majority of the population of Britain could be categorised as poor, and furthermore that the majority were working poor; 'in general the poor are independent, and support themselves by their labour'.[463] It is significant that this raises the question for Smith of what is to be done. For many, poverty required charity; a response outside the normal economic mechanisms. It was not necessarily evident to the elite and educated of the eighteenth century that something needed to be done to remove poverty.

The idea that society had a duty towards the poor was an old one, encoded through the Poor Laws in England and through the customs of the Kirk in Scotland. The Old Poor Laws in England were instituted as a series of individual acts between 1572 and 1600. These were formally codified in 1601 and lasted until 1834 when they were replaced by the 'new' poor laws. In Scotland, there were acts of parliament passed in 1574 and 1579 to deal with the poor. These closely copied the English statute of 1572, but they did not work as effectively.

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[461] WN, V.i.f.50, p.782, (My italics).
[462] WN, I.viii.36, p. 96.
[463] LJ (B), Of Public Jurisprudence, p. 401.

The legislation was not amended sufficiently to fit the structure of authority in Scotland. The reformed church took over the administration of poor relief in 1592. The kirk sessions decided upon the disbursement of funds to the poor. Poor funds came from voluntary contributions and fines levied on those who offended against kirk discipline. Depending upon the parish, payment could be made to both resident and vagrant poor. There was no standardised criteria for determining who to give relief to or how much or in what manner.[464] In this respect, the Scottish system was similar to the situation in England where the administration of poor relief was left up to individual parishes. With the Act of Union in 1707, Scotland retained its particular arrangements for poor relief, though they were similar to the English system in all the important respects.

These poor laws operated throughout the eighteenth century and though passed at parliamentary level, were left to the local parish to implement. This led to a variety of schemes and differences in the type and breath of implementation across the county. There were four principles to the old poor law: firstly, each parish had a duty to provide outdoor relief for those who were impotent (the old, the sick, children, widows), work for those who could not find it and punishment for those who were able bodied but unwilling to work. Secondly, local relief needs were to be met by a local tax called the poor rate, based upon property value. Thirdly, poor relief should be tackled at the local level, unfettered by regional or national government. Fourthly, poor relief was meant to be available only as a last resort, to be applied for and dispensed only when all other options (family, local charities, etc.) had been exhausted.

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[464] Ian D. Whyte, *Scotland Before the Industrial Revolution: An Economic & Social History c1050 – c1750* (London and New York: Longman, 1995), p. 159.

While the advantage of this arrangement was that it allowed local officials to respond to local conditions, it led to great variation among parishes in implementation and in the generosity or harshness of its relief. Since most of the terms were not defined, it was up to each parish to determine who could be considered 'deserving', and how much and how often someone could receive relief. With the growth and shifts in population over the course of the century, the need for poor relief and a community's ability to fund it became mismatched. In England, the administration of the poor law was carried out voluntarily, falling on the local landholders and parish notables. In Scotland, it fell to the elders of the kirk. This reliance on the good character of the poor law administrators led to the danger of apathy and incompetence on one end of the scale, up to abuse, favouritism, or embezzlement (especially with the development of workhouses and the pooling of several parishes' resources) on the other.

Initially relief consisted of 'outdoor relief', which could range from an allowance for fuel, funerals, a regular dole, or money for any emergency that a member of the parish might encounter and apply to the parish for relief. In order to apply, one had to be deserving in the sense of not being a nuisance to the parish, and to have reasons why one could not work. Some parishes were quite lenient and allowed known swearers, brawlers and drunkards to receive poor relief. Others were extremely harsh, to the extent of moving on unwed women in labour so that their offspring would not have a right of settlement on the parish. But despite the disparity, poor relief became so universal and customary that there are accounts of riots by the poor where certain payments or benefits were curtailed or abolished.[465] Thus the poor, their situation and relief was a fact of daily life,

[465] Steven King, p. 31.

one that all members of the population, whether poor relief recipient or rate payer would have been aware of. Smith said little directly about the poor in WN. Jacob Viner claimed that Smith's omission was due to oversight. This strikes me as unlikely.[466] Given the social and legal discussions of the time, Smith could not but have been aware of the poor. I contend that Smith was aware of the plight of the poor, particularly the working poor, and the *Wealth of Nations* is his response to their situation. I will discuss this response in section 5.2.

In England, several pieces of legislation were passed in an attempt to address some of the difficulties of the original poor law act. The Settlement Act of 1662 held that local ratepayers had a duty to relieve those who could provide entitlement by settlement. This act aimed to address the problem of the movement of the poor from one parish to another in order to obtain better poor relief conditions. Smith was particularly scathing of this act in WN, regarding it as 'an evident violation of natural liberty and justice.'[467] Settlement entitlement was granted in a number of ways; children gained it through the settlement of a father and married women by their husband's entitlement. It could be attained through employment for a whole year in a new parish, by renting freehold property worth ten pounds per year in the parish, by paying local taxes or by living forty days in a place without removal provided the parish overseer was given notice of one's residency. This Act created problems for the movement of labourers in search of work and led the introduction of a 'settlement certificate' in 1697. This certificate allowed the labourer to move from one area to another in search of work on the

[466] Jacob Viner, 'Adam Smith and Laissez Faire', in *Adam Smith, 1776 – 1926*, ed. by J.M. Clark and others (Chicago: University of Chicago Press, 1928), pp. 116 – 155 (p. 150).
[467] WN, I.x.c, p. 157.

promise of his parish of settlement to reimburse his new parish should he become dependent.[468]

The cost of implementing the poor laws climbed dramatically during the eighteenth century. 'In 1705 the cost was between 600,000 and 700,000 pounds. By 1776 it had shot up to 1.5 million pounds, 2 million in 1786 and 4.2 million in1803.'[469] Although much of the relief was spent on relieving the sick, the enfeebled and the unemployed, more and more was spent 'topping-up' the incomes of workers who could not support their families on their meagre wages, or who could only find seasonal employment. Following the Speenhamland ruling in 1795 'topping up' was index linked to keep up with inflation by linking payments to the price of bread. In an attempt to make poor relief pay for itself, and to care for the impotent while discouraging the able bodied, workhouses came in vogue. Knatchbull's Workhouse Act of 1722/23 was an enabling act which allowed parishes to combine to build and administer a workhouse to provide 'indoor relief'. By 1777, there were over 1,916 workhouses in England, the largest portion of which had been established in the first half of the century. In theory, they set to work over 90,000 paupers but their effect was more widespread. 'Because workhouses were viewed with abhorrence by the labouring poor, their existence affected the behaviour of perhaps forty to sixty percent of the population, that portion which might expect to find itself dependent on the parish in old age or illness.'[470] Work was the favourite panacea of the early eighteenth century reformers. Workhouses would expose the inmates to religious

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[468] Steven King, chp. 2.
[469] Roy Porter, *English Society in the Eighteenth Century*, The Penguin Social History of Britain (London: Penguin, 1982, 1990), p. 129.
[470] Tim Hitchcock, 'Paupers and Preachers: The SPCK and the Parochial Workhouse Movement', in *Stilling the Grumbling Hive: The Response to Social and Economic Problems in England, 1689 – 1750.*

education, give them useful habits of reliability and pliability and make the poor pay for themselves. In practise, this rarely happened. Those who entered did so as a last resort and the reasons why they were obliged to enter made them poor labouring material. In addition, the curtailment of liberty, the poor nutrition, sanitation and material conditions were not conducive to an engaged workforce.

It was not merely the Poor Laws however, that impacted directly on the lives of the poor. Many changes throughout the century had a detrimental effect on the lives of the poor and their strategies of makeshift subsistence; laws prohibiting rabbit catching, outlawing dung in towns and gleaning fuel from common land diminished the poorer classes' ability to supplement meagre wages or eke survival on the margins of society. These pieces of legislation were not directed specifically at the poor, though their end result certainly impacted disproportionately on their lives. Other pieces of legislation were aimed at the poor. The most famous of these was the legislation passed to curtail the sale of gin to the poor. Every affliction of the eighteenth century was laid at the door of gin drinking; violence, debauchery, the neglect of children and the depravity of the labouring man and woman. Between the 1720s and 1750s, seven statues designed to regulate the consumption and production of spirits were passed in an attempt to put an important product of home industry out of the reach of most of its market. From the late 1720s, 'an increasing furore over the perceived dangers to society of gin consumption by the poor resulted in a dramatic reversal of state policy, with restrictive statues replacing earlier encouraging laws.'[471] Smith refers to government use of taxes to discourage the consumption of spirituous liquors in his

[471] Lee Davidson, 'Experiments in the Social Regulation of Industry: Gin Legislation, 1729 – 1751 in *Stilling the Grumbling Hive: The Response to Social and Economic Problems in England, 1689 – 1751*.

account of the taxation of brewed and distilled liquor. He argues for a higher tax on malt while reducing the various taxes on beer sold to the public. In this manner, the cost of gin would remain a deterrent to its consumption while the 'wholesome and invigorating liquors of beer and ale might be considerably reduced in their price.'[472] Smith's argument was that taxing the distillery instead of malt favoured the wealthier big houses who brewed their own beer, while the poor man buys his little by little as he needs it from the brewer.

The use of taxation and legislation to influence the behaviour of the poor highlights the various attitudes towards the poor in the eighteenth century. The arguments ranged from the paternalistic (for their own good) to the utilitarian (the strength of a nation at this time was counted in the extent of its productive population). The former held that it was the duty of the rich to treat the poor with compassion, assist them in times of distress and aid them in the development of their morals. From this strand, wealthy philanthropists and charitable organisations distributed alms, established schools, hospitals and foundling homes. They aimed to give their recipients skills and values to make them useful and godly persons. The latter 'supposed that the poor should never have misery lifted from them, nor their children be encouraged to look beyond the plough or loom.'[473] Baugh traces this attitude to the mercantile belief in the utility of poverty. 'Only poverty, it was supposed, induced people to work steadily in the "meanest employments" at wages low enough to keep English manufacturers competitive with foreign goods.'[474] This belief in the fecklessness of the poor was

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[472] WN, V.ii.k.50, p. 891.
[473] Daniel A. Baugh, 'Poverty, Protestantism and Political Economy: English Attitudes Towards the Poor, 1660 – 1800', in *England's rise to Greatness, 1660 – 1763*, ed. by Stephen B. Baxter (Berkley: University of California Press, 1983), p. 83.
[474] Baugh, p. 75.

widespread. Daniel Defoe held that 'they won't work anymore than from hand to mouth; or if they do work they spend it on riot and luxury, so that it turns to no account to them.' Arthur Young echoes this sentiment. 'Everyone but an idiot knows the lower class must be kept poor or they will never be industrious.' William Temple judged that 'the only way to make the poor industrious is to lay them under the necessity of labouring all the time they can spare from rest and sleep in order to procure the common necessities of life.'[475] The practical outcome of such a belief was the justification of low wages paid to labourers. Thus, when Adam Smith advocated for good wages for the labourer that would allow him not merely subsist but to live comfortably and even save for old age, he was proposing a radical departure from a commonly held view on the lives of the poor.[476]

5.2 Smith's Treatment of Poverty

Poverty was part of the woof and warp of society. Fifty to sixty percent of the population could expect to have to rely on poor relief at some stage of their lives, and the other forty or fifty percent could expect to have to pay a poor rate. Given that it was an issue that affected the entire population in one way or another, it would be incongruous for an economic treatise not to address the issue in some concerted fashion. The *Wealth of Nations* does not appear to do so. Yet, how could it ignore a fundamental piece of the economic and social world? I believe that it did not. This is precisely what the entire treatise addresses. The

[475] All quoted from Roy Porter, p. 130. See also Royston Pike's introduction to chapter eight in his *Human Documents of Adam Smith's Time* (London: Allen & Unwin, 1974).
[476] WN, I.viii, p. 99.

poverty of the people is the issue of the wealth of nations. Smith is laying out a plan to increase the wealth of the labouring poor. This is evident in his attack on mercantilism, in his distrust of merchants and monopoly companies, in his championing of liberty. It can be seen in his concern that the tax system be fair to the poor and that the new innovations of his system of commerce not damage the labourer. Smith is not arguing for an efficient economic system. He is arguing for a just economic system. That it is efficient in distributing goods and increasing wealth are some of the characteristics ensuring its justice. L. Billet reads Smith's economic work in this light. He argues that the *Wealth of Nations* 'is fundamentally concerned with the question 'what is a just economy?' and states that it cannot be 'properly understood without comprehension of the notions of morality and justice which guide it.' [477] Billet ties justice to the idea of liberty, for as he points out, social justice implies liberty in the sphere of economic activity. I have argued in chapter four that justice for Smith implies liberty in the broader sphere of life, not just the issues of person, property and contract. It is the principle that guides human interaction in all spheres of life. This notion of a just state is evident in Smith's assumption of how the poor ought to be treated.

A popular method of exploring the significance of Smith's writings for the issue of poverty and social justice, since the publication of the Glasgow Edition of Smith's writings in the 1980s, has been to treat his different writings on economics and moral theory as a coherent whole. This has led to a broad interpretation of what WN means for the poor in light of TMS. On one hand,

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[477] L. Billet, 'The Just Economy: The Moral Basis of the Wealth of Nations,' *Review of Social Economy*, 34 (1976). Reprinted in *Adam Smith: Critical Assessments*, ed. by J.C. Wood (London: Croom Helm, 1983), p. 205. Patricia Werhane also argues that justice is the framing principle of the *Wealth of Nations*. See the introduction to her *Adam Smith and his Legacy for Modern Capitalism*, (Oxford: Oxford University Press, 1991).

Smith's commercial system has been read as justified because it increases the wealth of all sectors of society, including the poor, by providing an arena in which all individuals can, through hard work, improve their situation. This arena does not discriminate by class, gender, race or other classification, and thus provides a type of equality and autonomy to all individuals. This is the classical liberal justification of capitalism. Lisa Herzog is a proponent of this reading, although she argues that Smith had a richer notion of freedom than the mere absence of obstacles (the negative freedom typically associated with liberalism).[478] Emma Rothschild, on the other hand, argues that Smith can be read as closer to Condorcet's enlightenment utopianism; where he recognised that there cannot be a strict division between the market and political power. Smith, on this account, would not disapprove of government intervention to ensure the well-being of the poorer sections of the population.[479]

An alternative approach is to look at the implications of the policies and practices Smith recommended, (without recourse to the moral theory of TMS), and argue that their ultimate result indicates Smith favoured improving the situation of the poor. Deborah Boucoyannis argues that the full implementation of Smith's recommendations for the market would prevent extremes in wealth and poverty thus obviating the necessity for redistribution in the political system.[480]

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[478] See chapter 6 in *Inventing the Market*. Hont & Ignatieff also offer a liberal reading of Smith's economic theory and strongly denied that he would countenance any form of 'redistributive meddling in the property rights of individuals'. See their chapter 'Needs and Justice in the *Wealth of Nations*: An Introductory Essay', in *Wealth and Virtue: The Shaping of Political Economy in the Scottish Enlightenment*, eds Istvan Hont and Michael Ignatieff (Cambridge: Cambridge University Press, 1983), p.25. Jeffrey T. Young draws the same conclusion in his *Economics as a Moral Science*. See chapter six.

[479] Rothschild argues for this in the context of her analysis of Smith's views on famine and the price of corn. See pages 73 – 86 in *Economic Sentiments*. For different reasons, Fleischacker also believes that Smith would not be adverse to limited redistribution. See *A Third Concept of Liberty*.

[480] She continues on to wonder why extreme inequality is accepted as a fact of the market, and is not viewed as a pathology the market should not have generated in the first place. See 'The

Eric Schliesser also appeals to concepts within Smith's economic theory to argue that WN is aimed at improving the lot of the working poor. He bases this on Smith's use of corn as a measurement unit for real price since it captures the living standards of the working poor. Since corn makes up most of their subsistence, it measures the purchasing power of the poor. This, Schliesser argues, highlights Smith's aim to forward the interests of the working poor.[481]

While this is an interesting way to analyse Smith's response to the poor in society, I will endorse the former approach. It appears to me that Smith's individual in WN has the same complex psychology as the individual in TMS. The economic system of *Wealth of Nations* relies on the complex social structures developed by the sociable and socialized individual of TMS. This is particularly evident in its reliance on a system of justice, which I described in the previous chapter. Thus I argue that Smith had this understanding of human nature in mind when drafting his economic treatise. His discussions on the pernicious effects of particular legislation on the poor, and his advocacy of a tax system that was least burdensome to this class indicate Smith's concern that his system of commerce should not harm those very characteristics described in TMS which enable the individual to be a moral creature.

Poverty was a pervasive facet of life that affected all Britons in one way or another. The contemporary activity around the drafting of legislation for the poor, the discussion it generated and the innovation around its implementation could not

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Equalizing Hand: Why Adam Smith Thought the Market Should Produce Wealth Without Steep Inequality', *Perspectives on Politics*, 11 (2013), 1051 – 1070.

[481] See his article 'The Measure of Real Price: Adam Smith's Science of Equity', in *The Street Porter and the Philosopher: Conversations on Analytical Egalitarianism,* eds Sandra Peart and David M. Levy (Michigan: University of Michigan Press, 2008), 228 – 235.

have escaped Smith's notice. In fact, he refers to this aspect of life when he severely criticised the laws of settlement and the apprenticeship laws as impediments upon liberty. In his section on the poor laws, he describes their historical origin, and the fact that a poor labourer might be thrown upon them through the loss of employment, but he offers no opinion on value of poor laws within an economy. Jacob Viner held that this omission was merely an oversight, but others, notably Gertrude Himmelfarb, held that the omission was deliberate: 'What Smith conspicuously did not do was challenge the poor law itself, the obligation to provide relief for those who could not provide for themselves. Nor was he one of those who, in the years following the publication of the *Wealth of Nations*, expressed anxiety about the mounting costs of relief.'[482] At the very least, given the political circumstance of the period, we must conclude that the 'presumption must be that Smith held no strong objection to the principle of the Poor Law, or he would have voiced it.'[483] The aim of WN was to increase the national wealth and extend its distribution, thus reducing the need for the poor laws. The idea that half the population could not support itself at some stage of their lives is an indication of a lack or wrong. Smith notes that a nation could not be considered flourishing where the greater part live in misery.[484] The economic system he proposes aims at increasing the wealth of the nation as a whole, not merely one group within it.

In his introduction to WN, Smith notes that the labour of every nation is the fund which originally supplies it with all the necessaries and conveniences of

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[482] Gertrude Himmelfarb, *The Idea of Poverty: England in the Early Industrial Age* (London: Faber and Faber, 1984), p. 61.
[483] Geoffrey Gilbert, 'Adam Smith on the Nature and Causes of Poverty', *Review of Social Economy*, 55 (1997), p. 273 – 291, p. 287.
[484] WN, I.viii, p. 96.

life. He then juxtaposes the difference in availability of necessities to 'the savage nations of hunters and fishers' with the availability of such goods to 'civilized and thriving nations', noting that sheer want often drives the former to abandon or destroy its weak or old or very young members.[485] We can infer from this that Smith envisages the growth in material wealth of a nation as *not* the enrichment of a particular group in society but the betterment of all its individual members such that it has enough wealth to support its non-productive members. The aim of WN is to offer a plan as to how a nation may achieve this. This is a just economy and society, but the means by which the nation becomes wealthier must not end up damaging important human capabilities.

Before I discuss how Smith proposed to improve the situation of the poor, I will examine the distinction between the indigent and the working poor, one common in Smith's day. The indigent referred to those poor who were not capable of working due to illness, handicap, old age or young age, or widowhood with dependent children. The working poor referred to the majority of the population who worked as farm labourer and piece work labourers in the country, or as artisans, apprentices, labourers, servants or factory workers in the towns. This working poor led a makeshift existence, eking out a living from a variety of jobs throughout the year, supplemented by gleaning, setting their children out to work or depending on family support in hard times. Their subsistence was precarious and often tipped over into the indigent category when illness, accident or unemployment struck.

[485] WN, Intro., p. 10.

It is the working poor that Smith takes as the main actors in WN. He recognises that they make up the greater part of the population. In increasing the wealth of the nation, Smith's system must increase the wealth of this class. The poor laws, as discussed above were initially intended to support the indigent poor, but over the course of the century came to be viewed as appropriately supplementing the income of the working poor who could not support themselves out of their own labour over the course of their lives. In WN Smith's sympathy lies with the working poor and he intends that his economic system should allow for their comfortable subsistence such that they will not need to have recourse to the parish. Smith does not discuss the indigent poor as part of his system of commerce. They are outside it for they cannot produce for it. From his discussion of the savage nations' practice of abandoning their infants and old people, and his condemnation of the ancient Greek practice of infanticide, however, we gather that he assumes any society with the material means to do so, should support its members who are not capable of supporting themselves.[486] He does not discuss how this ought to be done, whether by government fiat or by local initiative, but as noted earlier in this section, Smith does not condemn the poor laws. Spencer Pack believes that Smith appears to hint that the poor deserve their poverty. He comes to this conclusion after observing that Smith describes a social system which encourages and rewards hard work and discourages indolence and laziness.[487] While it is true that Smith's commercial system rewards those that work hard, this does not entail that Smith felt those who were poor were lazy or

[486] The first example is given in the introduction to WN (p.10) where Smith attributes these customs to the sheer poverty of the tribe. In the latter example, Smith describes the Greek custom of exposing infants as a hangover from the days of 'savage barbarity' when 'extreme indigence' led the early Greeks to destroy their infants. See TMS, V.2.15, p. 210.
[487] See chapter 5 in his *Capitalism as a Moral System*.

deserved their poverty. On the contrary, Pack ignores Smith's comments defending the poor against charges of laziness and fecklessness.[488] There is no evidence that Smith regarded the poor with contempt. Indeed, Smith lays much of their disadvantage and poor development down to social and economic circumstances that stunt their characters.

5.2.1 The differing effects of class circumstance upon human faculties

Respect for the individual means to protect the conditions she needs to flourish in; by Smith's own description, humans have not merely material, but also psychological needs. Given that all humans have these needs, and that we know that others have the same needs; given that we are sociable and capable of empathy, and given that we are socialised in the norms of our society to know what consists of appropriate behaviour, dress and values, then theoretically, anyone ought to know what is necessary for anyone's basic well-being in a particular society. To deliberately thwart or inhibit those conditions would be wrong. To actively supply those conditions would be good and behaviour worthy of gratitude. At a minimum, systems of governance of society would have to allow for such needs to be met for all people and where institutions or systems led to damage of these fundamental human needs, the government is obliged to ameliorate the situation. Where a harm to a human capacity occurs to an individual by virtue of belonging to a group, the wrong offends both against

[488] I will discuss this point in more detail in the next section.

Smith's description of what we need to flourish and against his egalitarian assumptions.

In relation to the working poor, Smith recognised them as a particular group of individuals whose lives are circumscribed materially, socially and psychologically by their class situation. He notes that the 'necessities of life occasion the great expence of the poor. They find it difficult to get food, and the greater part of their little revenue is spent in getting it.'[489] There is a high rate of infant mortality amongst the poor and the poor are more confined by legal requirements.[490] Worst of all, the situation of the poor harms those capacities and needs that make us particularly human. The human need for recognition and approval from other humans is denied. The poor man feels that his poverty 'places him out of the sight of mankind'. He 'comes out and goes in unheeded, and when in the midst of a crowd is in the same painful obscurity as if shut up in his own hovel.'[491] In this, the poverty stricken individual's psychological need to be recognised, so important for her development of social and moral knowledge and skills, is limited. The work the poor must engage in further stunts their capacity to reason in any complex or substantial manner.

> In the progress of the division of labour, the employment of the far greater part of those who live by labour, that is, of the great body of the people, comes to be confined to a few very simple operations; frequently one or two. But the understandings of the greater part of men are necessarily formed by their ordinary employments. The man whose whole life is spent in performing a few simple operations, of which the effects too are, perhaps, always the same, or very nearly the same, has no occasion to exert his understanding, or to exercise his invention in finding out expedients for

[489] WN, V.ii.e, p. 842.
[490] See WN, I.viii, p. 96 and WN, I.x.c, p. 152 where he compares the ease with which a merchant obtains the privilege of trading in a town with the difficulty a craftsman has obtaining permission to work in it. The poor are also the target of the settlement laws.
[491] TMS, I.iii.2.2, 51. Lisa Herzog argues that Smith believes the markets will eliminate social discrimination, and will lead to more equality and more recognition of individuals from different classes in the long run. See chapter 5 of *Inventing the Market.*

> removing difficulties which never occur. He naturally loses' therefore, the habit of such exertion, and generally becomes as stupid and ignorant as it is possible for a human creature to become.[492]

This passage echoes Horkheimer's criticisms of capitalism in *Eclipse of Reason*, and the description of the process of the instrumentalisation of reason in the chapter on the culture industry in *Dialectic of Enlightenment*. Smith recognises that the type of work demanded by the division of labour, and particularly that done by the labouring poor, renders them liable to a type of mental mutilation.

Furthermore, since they must work long hours, Smith recognises that 'their labour is both so constant and so severe, that is leaves them little leisure and less inclination to apply to, or think of anything else.'[493] On their own, the labouring poor cannot combat the detrimental effects of their labour upon their mental faculties. Given that judgement or substantial reasoning plays such an important role in Smith's description of the moral process and in our abilities to choose our ends, it is indeed a serious harm to have this faculty damaged. The harm though, is not merely an individual loss. Smith recognises it leads to a diminution of political life. He compares the ability of a contemporary labourer to form judgement with that of hunters, shepherds and husbandmen 'in that rude state of husbandry which precedes the improvement of manufactures'.[494]

> In such societies the varied occupations of every man oblige every man to exert his capacity, and to invent expedients for removing difficulties that are continually occurring. Invention is kept alive, and the mind is not suffered to fall into that drowsy stupidity, which, in a civilised society, seems to benumb the understanding of almost all the inferior ranks of people. In those barbarous societies, as they are called, every man, it has already been observed, is a warrior. Every man too is in some measure a statesman, and

[492] WN, V.i.f, p. 281 – 2.
[493] WN, V.i.f, p. 785.
[494] WN, V.i.f, p. 783.

> can form a tolerable judgement concerning the interests of society, and the conduct of those who govern it.[495]

It is not incidental that Smith connects the ability to judge with judgements about political or public affairs. As I have argued in chapter four, Smith envisages a reciprocal relationship between the individual and society. The capability of the individual to judge social, moral and political issues is developed by their socialisation. But equally the standards and skills that society holds up to its members are ultimately influenced by the individuals that comprise it. Smith recognises that where a particular institution of society damages the rational capacity of individuals from a certain group, government must work to ameliorate this harm.

> A man without the proper use of the intellectual faculties of a man, is, if possible, more contemptible than even a coward, and seems to be mutilated and deformed in a still more essential part of the character of human nature. Though the state was to derive no advantage from the instruction of the inferior ranks of people, it would still deserve its attention that they should not be altogether uninstructed.[496]

These are the harms to which being poor subjects the individual. The harms are not merely accidental nor spread randomly through the population. They are systemic and fall on a particular group in society.

Smith also recognises that the wealthy (be they merchants or landlords) are advantaged materially, socially and psychologically by their position in society. They do not have to struggle to meet the basic necessities of life. 'The luxuries and vanities of life occasion the principal expence of the rich'.[497] The

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[495] WN, V.i.f, p. 783.
[496] WN, V.i.f, p. 788.
[497] WN, V.ii.e, p. 842.

strictures of law were less restraining for the rich than for the poor. The settlement laws did not affect them and the government did not feel obliged to regulate their drinking behaviour and fashion choices as it did for the poor. Their need for recognition and approval is ensured by their wealth, (though to be sure Smith recognises this as a confusion with the gaze of moral approbation). The rich man's 'actions are the objects of public care. Scarce a word, scarce a gesture, can fall from him that is altogether neglected.'[498] Furthermore, the wealthy person's rational capacity is protected and developed by their access to education and a complex employment. They do not start employment so young as the children of the poor, their parents take care to educate them well, and the

> employments in which the people of some rank or fortune spend the greater part of their lives are not, like those of the common people, simple and uniform. They are almost all of them extremely complicated, and such as exercise the head more than the hands. [...] The employments of people of some rank and fortune, besides, are seldom such as harass them from morning to night. They generally have a good deal of leisure, during which they may perfect themselves in every branch either of useful or ornamental knowledge of which they may have laid the foundation, or for which they may have acquired some taste in the earlier part of life.[499]

Thus the work and wealth of those of rank or fortune protect and develop their capacity for judgement. In his various comments on the behaviour of both classes in their efforts to make a living, Smith is more sympathetic to the situation of the working poor.

The difference between an individual from the labouring class and an individual from the middle or upper class is highlighted by their respective possibilities to develop their capacity of judgement. In Book V of WN, Smith describes the deleterious consequences of the division of labour upon the

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[498] TMS, I.iii.2.2, p. 51.
[499] WN, V.i.f, p. 784.

labouring poor and their capability to think for themselves. He claims vigorously that this situation must be addressed by the government, as a matter of national importance just as government would have to address an outbreak of leprosy. This intervention by the public can 'facilitate, can encourage, and can even impose upon almost the whole body of the people, the necessity of acquiring the most essential parts of education.'[500] In other words, Smith allows government to impose requirements upon the greater part of the population for their benefit, where this benefit touches on something fundamental to their humanity (their capability to form judgements in this case). Government must do so because an individual without the proper use of her mental faculties 'seems to be mutilated and deformed' in an essential part of her human nature.[501] Smith clearly argues for the moral duty of government to prevent the mutilation of its citizens' capacities. He suggests that government ought to require and subsidise basic education of its labouring class, and that the professional class be required to obtain a certificate indicating a broad education which would develop a wide and independent ability to judge. Smith offers these concrete suggestions to combat the danger he perceives in the type of labour characteristic of his new system of commerce. Like Horkheimer, he is aware that the individual's habitual activity influences our capability to judge. Unlike Horkheimer, he believes this disadvantage of the division of labour can be combated through other institutions in society.[502]

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[500] WN, V.i.f.54, p. 785.
[501] WN, V.i.f, p. 787.
[502] Of course, Horkheimer believed that the other institutions of society; education, culture and the family, would become colonised by capitalism and simply confirm its values rather than providing the space within which the individual could learn to question such values. Smith did not foresee this possibility. See Horkheimer's essay 'Authority and the Family', in *Critical Theory: Collected Essays*, trans by M.J. O'Connell (New York: Continuum, 1982) and 'The Culture Industry' in the *Dialectic of Enlightenment*.

5.3 Individual Liberty, Poverty and Government Intervention

Smith's suggestions contravene his most famous principles; (i) non-interference of the government in the market, and (ii) the liberty of the individual. The case of education is the most famous example where Smith justifies government intervention in the market system to influence the behaviour of people, but it is not the only case. Billet contends that the

> *Wealth of Nations* does not argue, as is often thought, against *all* restraints on the economic liberty of individuals and groups, but against all *unjust* restraints on the freedoms of individuals and groups to determine their own economic goals and to use their own labor and time, the power of their mind and imagination and their resources of goods and services, to pursue legitimate economic ends.[503]

In other words, the economic system that Smith advocates in WN is one he believes to be just (in the sense of providing freedom to all to choose their life and occupation as they please and in providing equal opportunity for all to gain increased material wealth, irrespective of class affiliation),[504] and one of the requirements of this system is non-interference by government. But Smith condemns interference by government only in relation to the harm such intrusion entails. When he condemns mercantilism, it is on the grounds that the interference benefits, unfairly, one minority section of the population (the masters of a particular industry) over the majority (either the consumers who must pay more, or the labourers whose wages are driven down).[505] He also condemns any legislation or custom that prevents a man from utilising his own labour and capital

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[503] L. Billet, p. 217.

[504] This is in comparison to the lack of liberty in the feudal system of commerce and later in the mercantile system of commerce. Of course, it only allows those who are able bodied, and/or in possession of relevant skills, and who are unencumbered by caring for dependents to gain by this freedom. In practice, it does not give carers, primarily women, the same access to gain material wealth.

[505] WN, IV.viii, and WN, IV.viii, p. 644.

as he sees fit or sumptuary laws which dictate the type of purchases the working class, particularly, may make. These are unjustified interferences in the liberty of the individual, not merely because they interrupt the efficient running of the market, but also because they deny the dignity of the individual; the individual's capability to choose for herself.

Do these strong injunctions mean that Smith would disapprove of help for the poor? In other words, can we read from this that Smith would have considered the poor laws to be unwarranted? Edmund Burke read the WN in this way.[506] In the 1790s, as the cost of poor laws soared, there was intense debate about their reform of abolition. This eventually culminated in the new poor laws of 1834. But Smith's *Wealth of Nations*, I argue, could not be used to support such a position. Smith frequently derogated from his system of natural liberty where he saw a greater good; we have already mentioned making education mandatory to protect workers' reason from desiccation. Smith was also willing to require the study of philosophy and science for the professional classes, and the fostering of certain entertainments for the population to counter the attractions of fiery religious sects which could lead to 'enthusiasms' and civil unrest. In the same discussion, he also suggested the possibility of paying preachers of religious sects a small salary to blunt their incentive for extreme preaching.[507] It is when discussing taxation, however, that Smith is most willing to use incentives to change people's behaviour for the better; he suggests a replacement tax on malt which he believes is fairer to the poor than the current tax, but which would also make gin buying

[506] See chp 5 in Donald Winch, *Riches and Poverty: An Intellectual History of Political Economy in Britain, 1750 – 1834 (*Cambridge: Cambridge University Press, 1996)
[507] WN, V.i.g, p. 791 – 796.

expensive enough to discourage its consumption by the poor.[508] He suggests a variety of taxes on landlords aimed at discouraging them from requiring payment in kind, or in forcing their tenants to farm in a certain way.[509] He recommends that taxation ought to fall more heavily on luxury items, that the rich might contribute to the national purse through their vanity, and even goes so far as to suggest taxation ought to fall even more than proportionate on the rich.[510] Smith recommends certain regulations for the greater good; regulation of banking which he sees as necessary as fire breaks.[511] Thus it is clear that Smith is willing to support government intervention where he perceives it will produce a greater good.[512] But he was also willing to criticise particular interventions that he viewed as pernicious to liberty, such as the settlement laws and the apprenticeship laws. That he specifically did not mention the poor laws, taken in the context of his discussion of liberty and in the historical context of the day, must be read as approval of them where they were needed. In any case, Smith viewed his system of commerce as increasing the wealth of all members of the nation to the extent that a nation should be in the position of supporting those who cannot support themselves.

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[508] WN, V.ii.k, pp 888 – 891.
[509] WN, V.ii.c, pp 831 – 832.
[510] WN, V.ii.e, p. 842. Murray N. Rothbard is scathing about Smith's taxation proposals, declaring his canons to be either banal or hopelessly confused. He particularly attacks Smith's proposal for proportional taxation. His criticism however, is based on a view of the relationship between individual and society that is completely at odds with Smith's. Rothbard assumes that individuals are self-creating wealth creators. Smith views individuals as co-created by the society around them. See the section on taxation in chapter 16 of his book *An Austrian Perspective on the History of Economics,* Vol. 1 (Edward Elgar: 1995). Reprinted by the Ludwig Von Mises Institute, Alabama, pp 469 – 471.
[511] WN, II.ii, p. 324.
[512] Spencer Pack also argues that Smith did not disapprove of government intervention in principle. He disapproved of unfair or inefficient government intervention. Pack bases this argument on his claim that Smith views the market as a historical creation. Thus laws must change to keep up with changing circumstance. See chapter 4 in *Capitalism as a Moral System.*

5.4 Smith's Defence of the Integrity of the Poor Worker

Smith had a strong sense of the differential in power between master and worker, and of the injustice of the treatment of the working class. This is particularly evident in his discussions of tax, but also in his animadversions against mercantilists and masters who use their superior position in society to actively damage the position of workers. He notes that people of the same trade seldom meet, 'but the conversation ends in a conspiracy against the publick, or in some contrivance to raise prices.'[513] They also combine to keep wages of workers just at the subsistence level, and sometimes below. Where workers might try to combine to raise their wages, Smith notes they usually fail in their endeavour since they do not have enough money to support themselves and the wealthier masters can afford to go without profit longer than the worker can afford to go without wages.[514] And while the merchants and master manufacturers rail against the bad effects of high wages, '[t]hey are silent with regard to the pernicious effects of their own gain.'[515] Smith argues that, on the contrary 'what improves the circumstances of the greater part can never be regarded as an inconveniency to the whole.'[516] He scoffs at the notion that 'men in general should work better when they are ill fed, than when they are well fed, when they are disheartened than when they are in good spirits, when they are frequently sick than when they are generally in good health'. [517] On the contrary, the liberal reward of labour 'increases the industry of the common people.'[518] Smith's comments about wages must be taken in the context of the larger discussion of wages at the time. As

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[513] WN, I.x.c, p. 145.
[514] WN, I.viii, p. 83 –86.
[515] WN, I.ix, p. 115.
[516] WN, I.viii, p. 96.
[517] WN, I.viii, p. 100 – 101.
[518] WN, I, viii, p. 99

mentioned in section 5.1 above, there was widely held view, particularly among mercantilists, that the poor would only work if forced to do so by sheer necessity, and thus wages must be kept low so that they would have to work continuously for their bread. Furthermore, the mercantilists regarded the poor as a drain upon the nation, using up precious resources in poor relief and charity.[519] Thus when Smith advocates high wages for the labourer, he is contributing to a larger discussion outside WN.

Smith specifically defends the worker against the charges of sloth, arguing that an independent craftsman will typically destroy his health through overwork, rather than the reverse.[520] In paying the labourer a wage that may ensure not merely his survival but his comfort (even to saving in the hope of a comfortable old age, a stage of life when the majority of poor people in Britain would have become dependent upon the parish), Smith believes the worker will be encouraged to work harder and more consistently, and the task will be to ensure he does not overwork, rather than the reverse.[521] Smith then refers to the common belief that if a workman earned in four days what he needed to maintain himself, he would 'idle the other three' but argues that though some may do this, it was however, 'by no means the case with the greater part.'[522]

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[519] See Himmelfarb's account of the historical background to Smith's discussion of wages in chp. 1 of her book.
[520] WN, I.viii, p. 100. 'Workmen, on the contrary, when they are liberally paid by the piece, are very apt to over-work themselves'.
[521] WN, I,viii, p. 99 'The wages of labour are the encouragement of industry, which, like every other human quality, improves in proportion to the encouragement it receives. A plentiful subsistence increases the bodily strength of the labourer, and the comfortable hope of bettering his condition, and of ending his days perhaps in ease and plenty, animates him to exert that strength to the utmost.'
[522] WN, I.viii, p. 99.

In any case, to force the labourer to work by paying her extremely low wages is unjust. It places a limit on the physical well-being of the worker (forcing them to work long, arduous hours, leaving them weaker and more prone to illness and want), but also on the social and psychological freedoms of the worker. Such usage requires legislation against the workers to keep them in line (laws against combination of workers, settlement laws) and in a frame of mind to work for the employer or at least in a frame of mind where one can see no other options. Smith disapproves of this usage of the individual. It is unjust in the larger sense we discussed in chapter four.

To keep wages low simply because you believe that working people, as a class, are lazy is to deeply disrespect the individuals of that class. Smith repeatedly rejects the right of the masters of society (political or economic) to dictate the behaviour of those below them. He argues against the sumptuary laws as the greatest impertinence on the part of the sovereign. Similarly, he criticizes the Settlement and Apprenticeship laws for the restraints they place upon individual choices. In an entire section entitled 'Inequalities Occasioned by the Policy of Europe', Smith dissects the apprenticeship and settlement laws. In this section he rails, not so much against the constraint these regulations place on commerce, but on the disrespect they indicate for the judgement of the worker and employer. More to the point, Smith argues that legislation directed at employment (whether in apprenticeship rules or wage rules or prohibitions against striking) is generally informed by and benefits the employer against the interests of the worker. 'Whenever the legislature attempts to regulate the differences between masters and their workmen, its counsellors are always the masters. When the

regulation, therefore, is in favour of the workmen, it is always just and equitable; but it is sometimes otherwise when in favour of the masters.'[523]

Smith disapproves of excessive regulation, not merely because it tends to harm the weaker section of society, but also because it interferes in choices that are better made by individuals. When discussing the apprenticeship laws and government regulation of employment, Smith caustically remarks '[t]he affected anxiety of the law-giver lest [employers] should employ an improper person, is evidently as impertinent as it is oppressive.'[524] Smith is not merely pointing out that such legislation is contrary to his recommended system of liberty and a restraint upon the occupation of the employer, but it is disrespectful and 'impertinent'. It rates the reasoning of the legislator above that of the employer in a matter that considers himself most directly – his livelihood. It is disrespectful to the employers' intelligence and his moral capability of prudence or self-care and thus diminishes him as a man.

Smith also rails against the limits placed on the workers' right to expend their labour (their sacred patrimony) when and where they see fit. This particular injunction can be seen as a direct criticism of the Settlement Acts. In any case, Smith affirms that the individual is the one to judge what is best for her own life. Indeed, in TMS, it is viewed as one of our duties to ourselves to look after ourselves and our interests in the best manner possible. This is the virtue of prudence. To carry it out presupposes the faculty of judgement. As discussed in chapter three, judgement is an innate faculty that is developed through socialisation and education. It is common to all humans and is one of the elements

[523] WN, I.x.c.61, p. 158.
[524] WN, I.x.c.12, p. 138.

necessary for developing the impartial spectator. Without it, we would lack the significant element that defines our humanity – moral capability. Thus, when Smith describes the effects of repetitive work on human judgement in Book V of WN, he is not merely making the point that repetitive labour makes one stupid, but that it diminishes the worker's humanity. She becomes unable to make judgement on her own needs and place in society, on the larger questions that affect her society, and thus she cannot develop a judgement of, or contribute to the larger society in which she lives and which forms her character and sets of values (and those of her children). Given Smith's description of how human faculties and values are formed, (through a dialectic between the individual and society), the loss of the capability to engage in this dialectic becomes a serious loss of freedom. The individual is then at the mercy of forces, opinions, values and beliefs that she is unable to identify, let alone able to determine whether these are good for her life or not. Smith calls this loss or diminution of reason 'a mutilation'.

In TMS, Smith points out that humanity in general regards the loss of reason as a calamity. In this case, the loss of reason is attributed to some natural cause tied to our mortality (perhaps age), but in the case described in WN, the damage done is attributable to the system of work the labourer engages in. We know from Smith's famous comparison between the philosopher and porter that the difference between them 'seems to arise not so much from nature, as from habit, custom, and education'.[525] In the same discussion, Smith implies that the different faculties and skill of men in different professions 'is not upon many occasions so much the cause, as the effect of the division of labour.'[526] Given that

[525] WN, I.ii.4.
[526] WN, I.ii.4.

diminution of judgement results in a serious loss of autonomy to the individual, and given that belonging to a particular class or group (the labouring class) will (increasingly, as the Industrial Revolution gained pace) mean having to engage in repetitious labour which will damage its members' capability to have judgement, then Smith's call on the government for education to remedy this situation takes on moral and political import rather than merely economic. In the previous section, I referred to Smith's call for government support for education for the working class as an example of government intervention contra his general demand for a 'system of natural liberty'. In that discussion, I argued that Smith did not disapprove of *all* government intervention in the lives of its citizens, solely unjust interventions.

In the case of education, because of the fundamental harm done to the workers, there is a moral imperative upon the government to intervene. Smith does sweeten this with the point that the education will also have economic benefits for society. But because this harm happens to a specific group, (which Smith recognises), his injunction that government ought to support, and even to mandate basic education has political significance.[527] It indicates that Smith considers the effects of his proposed system of commerce not merely upon the individual and society, but upon certain groups in society. Smith is aware of the importance of group membership to individual identity and also the role such group membership plays in an individual's life possibilities within the larger structure of society.[528] Thus, I do not agree with Viner that Smith overlooked the

[527] See Smith's discussion regarding the influence of custom upon the moral sentiments, and especially how connection to a particular class socialises an individual to prefer certain values over others, TMS, V.2, p. 200 – 211.
[528] See chp 3 in Jack Russell Weinstein, *Adam Smith's Pluralism: Rationality, Education and the Moral Sentiments* (New Haven & London: Yale University Press, 2013).

poor and the poor laws. Smith was well aware of the different groups that made up his society. He showed himself aware of the constraints such membership placed on individual freedom and well-being. The WN makes the distinction between the lives of those who live in different classes abundantly clear, and Smith displays his sympathy with the working class in these descriptions. Where his system of commerce structurally affects the working class negatively, Smith argues that the government has a duty to ameliorate their position. The WN is concerned to develop the material position of the working poor, and to protect their rational capabilities; the two requirements of Smith's broader conception of justice.

5.5 A Just Society

Smith addresses the issue of poverty, and particularly of the working poor through the WN. The aim of the book is to increase the opulence of the nation, particularly those of the lower orders who make up the majority of the population. For Smith, a system of commerce that only increases the wealth of those at the top while damaging the material position of those below them would be unjust. This reading of Smith's view on poverty relies on recognising that material wealth is not the only necessity for a human life. Throughout WN, it is evident that Smith is assuming that the economic actor has the psychological and social needs that he ascribed to human nature in TMS. As I have argued in chapter four, Smith has to assume that society must meet these, as well as the material needs of its citizens in order to produce well-judging individuals. The system of gaining material wealth cannot interfere with or damage these needs. This is evident in Smith's awareness that living in anonymity in a large city can sink one's moral capability. Living in these conditions frustrates the process of impartial spectator formation. We need

another's gaze and interest to develop certain skills and standards. Where a society's interest and values narrow to the accumulation and display of wealth, it no longer sees those who cannot participate in this scene. The poor man is unseen in the middle of a crowd and feels ashamed of his poverty. Smith bemoans this false valuing of wealth over moral virtue in an addition to the sixth edition of TMS and notes its impact on the poor; 'This disposition to admire, and almost to worship, the rich and powerful, and to despise, or, at least, to neglect persons of poor and mean condition [...] is the great and most universal cause of the corruption of our moral sentiments.'[529] It is interesting that Smith adds this complaint in 1790, thirty one years after the first edition of TMS came out. It suggests that he had noticed a change in society and was concerned about its impact on moral development. It also points to Horkheimer's second criticism; that the individual feels powerless in the system which they maintain by their participation. As I argued in the previous chapter, Smith did not directly address this problem, but his account of the development of the just individual describes the reciprocal influence of the individual on society as well as of society on the individual. It is the development of the individual's autonomous conscience or judgement that allows some possibility for the individual to influence the systems she inhabits.

Smith recognises that certain goods ought to trump or at least guide the pursuit of material wealth. This is evident in his concern about the damage done to the workers' ability to reason by repetitive labour. These harms (caused by the system of production that follows on from Smith's system of commerce) must be ameliorated either by government or by society forming new institutions to meet

[529] TMS, I.iii.3, p. 61.

these social and psychological needs. The harms that Smith worries about are harms directly related to being poor in his society; Smith expressly notes that they do not happen to the rich, who by their status in society are open to everyone's notice and approval.[530] Smith is further concerned that those who have power in his economic system are not in a position to use it to benefit themselves unjustly, for as he notes '[t]he pride of man makes him love to domineer.'[531] He notes in particular the propensity of masters to conspire to keep wages to a minimum, and to fix prices to the disadvantage of consumers. Furthermore, these masters, 'as the experts in commerce', tend to have the ear of government and thus often influence government policy and legislation to their own specific benefit, and to the detriment of the rest of the population. He criticises mercantilism from this point of view. From these considerations, it is evident that Smith's economic theory is concerned with the labouring poor. He described his system of commerce with an eye to its positive and negative effects on this section of the population particularly.

In addition to this overall response to the situation of the labouring poor, Smith referred to several controversies and debates that touched specifically on the situation of the poor. When looking at the inequalities occasioned by the policy of Europe in Book I of WN, Smith addresses the apprenticeship laws and settlement laws. The Settlement Laws have been described in detail in section 5.1 of this chapter. Smith felt these to be particularly oppressive. 'There is scarce a poor man in England of forty years of age, I will venture to say, who has not in

[530] TMS, I.iii.3 'Of the corruption of our moral sentiments, which is occasioned by our disposition to admire the rich and the great and to despise or neglect persons of poor and mean condition'. This section was added in the sixth edition in 1790.
[531] WN, III.ii, p. 388.

some part of his life felt himself most cruelly oppressed by this ill-conceived law of settlements.'[532] While Smith did feel that this law led to an inefficient commercial system in that it prevented the free flow of labour from an area of oversupply to one where there was a shortage, his main complaint seems to be that it restricts the freedom of the individual to movement, a restriction that only fell upon individuals of a particular class – the poor.

Equally, Smith holds that the statute of apprenticeship also restricts the activity of the poorer members of society even though it is directed towards masters and employers. The apprenticeship statutes limited the number of apprentices a master might employ, determined the length of the apprenticeship, and type of knowledge an apprentice was required to obtain. They also placed limitations on who could become an apprentice and each guild or profession jealously guarded its rights to train and impart its particular knowledge. Thus a weaver in silk or linen may not (should his employment decline or terminate) become a weaver of wool, though his original training should enable him to transfer his skills easily. Smith regards this state of affairs as inefficient as well as injurious to the individuals who lose by it.[533] Smith does note that these laws will have some effect on the employer or merchant in the full use of their stock, but he feels they fall hardest on the labourer. 'It is every-where much easier for a wealthy merchant to obtain the privilege of trading in a town corporate, than for a poor artificer to obtain that of working in it.'[534]

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[532] WN, I.x.c.59, p. 157.
[533] WN, I.x.c.43, p. 151.
[534] WN, I.x.c.44, p. 152

In Smith's discussion of taxation in Book V of WN, he again makes distinctions between the wealthy and the poor. Smith argues for taxation according to means (and sometimes more than a strict relationship to means) because the rich can afford it. He describes a tax on windows which favours the rich as 'surely the most unjust and unequal' and for this reason it 'ought to be taken away.'[535] Smith observes the rich have covered the necessities of life. The poor struggle to do so.

> The necessities of life occasion the great expense of the poor. They find it difficult to get food, and the greater part of their little revenue is spent in getting it. The luxuries and vanities of life occasion the principal expence of the rich; and a magnificent house embellishes and sets off to the best advantage all the other luxuries and vanities which they possess. A tax upon house-rents, therefore, would in general fall heaviest upon the rich; and in this sort of inequality there would not, perhaps, be anything very unreasonable. It is not very unreasonable that the rich should contribute to the publick expence, not only in proportion to their revenue, but something more than in that proportion.[536]

As a general principle of taxation, Smith held that all members ought to pay in proportion to their ability.[537] But he was careful to argue that taxation should fall upon luxuries and not necessities. For this reason, he held that toll rates on the turnpike roads which raised the price of goods in proportion to their weight and not their value fell unfairly on the poor since they are the consumers of coarse and bulky commodities and not the precious and light. Whatever this tax might be intended to supply 'that exigency would be chiefly supplied at the expence of the poor, not of the rich; at the expence of those who are least able to supply it, not of those who are most able.'[538] This is contrasted by Smith's approval of the toll

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[535] WN, V.ii.k, p. 893.
[536] WN, V.ii.e, p. 842
[537] WN, V.i.h.i.1, P. 814. Smith holds it reasonable that the costs of society be defrayed by the whole society, 'all the different members contributing, as nearly as possible, in proportion to their respective abilities.'
[538] WN, V.i.d, p. 728.

upon carriages of luxury which is higher in proportion to their weight 'than upon carriages of necessary use, such as carts, wagons, &c. The indolence and vanity of the rich is made to contribute in a very easy manner to the relief of the poor, by rendering cheaper the transportation of heavy goods to all the different parts of the country.'[539]

In looking at Smith's proposals for taxation, it is clear that he is concerned the state should not increase the cost of necessities through taxation. By necessities Smith included not merely what was necessary to physical survival but also that which was considered socially necessary to appear in public without shame.[540] He makes a moral distinction between the value of necessities and the value of luxuries; the former being tied to what all humans need to meet our common needs, the latter being superfluous and tied to vanity. Thus the taxation of the state should not burden the poor. Smith is willing, however, that the state should be allowed to tax the commodities and services of the rich, not only to defray the expenses of the state, but also to contribute to the relief of the poor. Smith argues for proportional taxation but finds no moral wrong in taxing the rich 'somewhat more than in proportion'. If taxation is meant to display what the state values, then Smith clearly displays his own values here. Thus a just state must protect the material and psychological needs and capacities of the poor. When criticising certain taxes, he finds their objectionableness in their inequality: 'the principle objection to all such taxes is in their inequality, an inequality of the worst kind, as they most frequently fall much heavier upon the poor than upon the

[539] WN, V.i.d, p. 725.
[540] See WN, V.ii.k, p. 870 where Smith defines necessities as not only that which is 'indispensably necessary for the support of life, but whatever the custom of the country renders it indecent for creditable people, even of the lowest order, to be without.'

rich.'[541] Smith argues that an economic system must allow members of all classes to benefit from their own labour and to exercise their own judgement. His discussion of particular taxes indicates that Smith believes the state is legitimately concerned with a broad notion of the general good – the protection of important human goods, material security and moral judgement.

5.6 Conclusion

WN deals primarily with economic matters, but, as I have shown, Smith assumes these occur within the social, psychological and moral framework of TMS. Smith measures the effects of his system of commerce on the working poor. As I have argued in the previous chapter, Smith had to assume society was so constructed as to allow the development of the social and moral individual. It must, at the very least, guard against the damage done to the faculties necessary for moral judgment (the damaging of the intellect by repetitive work). Government ought to assist in the provision of education to ward off this danger for the labouring class, but it also ought to require professional and people of middling rank to study philosophy and science to prevent 'enthusiasms' taking hold.[542] These positive actions aim to provide a space within which judgement can be protected and developed. They provide evidence that Smith recognised and addressed the danger which the division of labour poses to the faculty of judgement and which Horkheimer's complained of when he blamed capitalism for the diminution of substantive reason.

[541] WN, V.ii.e, p. 849.
[542] WN, V.i.g, p. 796.

In addition to protecting the capability of judgement, society must also provide a space in which judgement can be exercised. As discussed in chapter four, to develop substantive judgement or our impartial spectator requires both protection and freedom. The development of judgement is a process which initially is supported and guided by the examples, opinions, laws and mores of society. But gradually the individual must practice exercising her own judgement and take conscious ownership of it. It is in this space that the individual exercises some power over the systems and institutions that form her.

This account of the relationship between society and the individual goes some way to addressing Horkheimer's second criticism; that the individual feels powerless in the face of those institutions she participates in. Smith recognises that these conditions are particularly constrained for individuals of the working poor. He noted that the poor of his day were particularly in danger of being manipulated by the employers and of having their reasoning capacity reduced by the work they engaged in. His proposed solutions to ameliorate these side effects of commerce engage other facets of social life. His description of economic life happens against the backdrop of a society that takes an interest in its members, that ensures the reciprocal relationship between the individual and the collective is not broken. Smith advocates a society that puts in place measures to protect the most important of human capacities (education and entertainment) while increasing the individual's freedom to exercise these capabilities, (removal of laws that limit individual choices; sumptuary laws, settlement laws). A just state is one that balances its wealth creating systems with the protection of the fundamental social and psychological needs of its citizens. This is illustrated by

Smith's discussion of the class most liable to be harmed by the system of commerce he was advocating.

CONCLUSION

In this thesis, I have argued that Smith's concept of justice addresses more than questions of economic redistribution and the status of property. It encompasses a notion of societal justice which involves the provision, or at least the protection of those conditions necessary for the development of human nature. The faculties of speech and reason, our desires for approval and for communion with other must be developed and met. I have argued that they are the characteristics necessary for the development of the impartial spectator and the individual's ability to be moral. While Smith explicitly endorsed a communitarian version of justice, I have argued that his description of human nature and its development through socialisation entails a broader conception of justice that is practically necessary in order to produce the individual actors that are presupposed in the *Wealth of Nations*.

While this interpretation of justice is premised on Smith's conception of a common human nature, he did not hold that it entailed political or economic egalitarianism. He was not, however, a dogmatic defender of property ownership and non-interventionism. As I have stressed in chapter four, he did recognise that where economic institutions damaged certain fundamental human needs and faculties, government should intervene.[543] What is interesting about this interpretation of Smithean justice is that it has particular significance for the working class who were most likely to be adversely affected by the new system of commerce that Smith describes. Since this version of justice is concerned to

[543] Recent literature has moved away from dichotomous reading of Smith as either a founder father of the right or left to more nuanced readings that view his approach to society and the individual as involving elements of both. See Herzog, Hanley or Fleischacker as examples.

protect the conditions necessary for the development of the impartial spectator, it side steps the limitations of the economic interpretations of justice; that of the liberal or socialist versions where the main concerns are property, it protection and/or distribution. The advantages of the interpretation of Smithean justice I have offered is that it is based on a common human nature of faculties and sentiments which go to make up beings capable of morality but is historically sensitive in that each society determines what is necessary to socialise their members to develop good substantive judgement.

Smith was deeply influenced by Hume. I have compared the two philosophers on particular points, (sympathy, general rules, moral judgement and justice) to highlight where Smith is indebted to his friend, and where he develops the concept in a different manner to Hume. Smith takes Hume's concepts and works out their implications through a phenomenological description of the moral development of an individual. This results in, firstly, Smith's innovation of the impartial spectator, and secondly, an account of justice that is more than protection of property.

The impartial spectator and Smith's account of its development explains how an individual whose capacities develop through socialisation, may form a judgement contrary to the values of the society in which she was brought up. Hume's own life is an illustration that this does in fact happen. Eric Schliesser argues that 'Smith's moral philosophy is designed to show how Hume's life is possible.'[544] In his letter to Strahan after Hume's death, Smith gives reasons why

[544] Eric Schliesser, 'The Obituary of a Vain Philosopher: Adam Smith's Reflections on Hume's Life', *Hume Studies*, 29 (2003), 327 – 362, p. 351. In this article, Schliesser holds that Smith is picking up on Hume's implication that he, Hume, is vain to write about his life. Smith shows in what respect Hume may be rightfully vain or proud of his accomplishments.

he admired his friend. He alludes to Hume's good humour, his dedication to his friends, his life's task of combating superstition, and ends with the famous commendation that Hume approached 'as nearly to the idea of a perfectly wise and virtuous man, as perhaps, the nature of human frailty will permit'.[545] Hume was exceptional in point of virtue, but he was also exceptional in that he didn't conform to the majority view of religion and the moral world. Smith's philosophy offers an account of how one may develop judgement to the point where it is independent of the society that developed it. In contrast, while Hume allows that general rules can be judged by 'wise' individuals through reflection, he does not give a detailed account of how an individual attains this wisdom.

In relation to justice, the obvious difference between Smith and Hume's account is that Hume's is tied to protection of property, whereas on my interpretation, Smith's account protects the conditions necessary to the development of the impartial spectator in the individual. Hume views the origins of justice in a societal determination, based on utilitarian considerations of what is necessary for the survival and stability of society. While Smith recognises that justice has these benefits, he founds its origin in humans' natural passion of resentment at unjustified harm. Justice, in Smith's sense is natural. The significance of this, I have argued, it that Smith's version of justice would exist in any kind of society, including one not based on property ownership in the Lockean sense. While Smith does include considerations of utility when judging the value of a system or institution, it is not the origin of the system. I draw the

[545] Letter 178 to Strahan, *Corr.* P. 217.

conclusion that Smith's system of justice arises out of the value of the individual. Hume's arises out of a recognition of the value of society to the individual.

I have explored the topics of human nature and justice in Smith's writings by investigating the kind of responses he could give to Horkheimer's criticisms of capitalism: that the system of capitalism reduces the freedom of its subjects by stunting the individual's capacity for substantive rationality and leaving her feeling trapped by the very system she perpetuates by her activities. Smith is aware of these potential problems, as I have shown; he recognises that the division of labour could result in workers' judgement being stunted by engagement in limited and repetitive operations and more generally, the dangers to sociable creatures of being unable to live a life by different values to those represented by the society we grow up in. Smith's response to these problems hinges on the role of judgement and the development of our impartial spectator, and are tied to his assumptions about the relationship between the individual and society. This is predicated on a process of sympathy that is based on our natural faculties and psychological desires and that happens naturally in humans. I have stressed the fact that the healthy development of the individual requires a proper balance between liberty and interdependence. Smith's response rests on a multi-strand set of institutions and practices that need to be in place to ensure the development of human faculties and capabilities. From this, I argue, there are practical and moral reasons why justice in Smith's writings cannot be reduced to commutative justice alone.

To arrive at this conclusion, I have examined Smith's published writings, analysing his assumptions regarding the moral nature of humans, and of the relationship between the individual and society within a particular practice or

institution. It is a form of immanent critique developed by the Frankfurt School, what Antti Kauppinen calls a 'reconstructive internal critique' in his categorisation of different forms of normative social critique. [546] To apply this method of investigation to Smith's view of society requires answering the question of whether the new commercial system described by Smith would develop and support individual autonomy or not. Smith believed it did. Or did it handicap the advancement of freedom as Adorno and Horkheimer claimed? I have argued that Smith recognised the danger of his commercial system to the individual faculty of judgement, and implicitly recognised its threat to society. He believes these problems could be ameliorated by specific social institutions, such as the provision of education for the poor, removing restraints from entertainment, and by the proper socialisation of the individual in society. Chapter two of this dissertation highlights how Smith's account of human nature places heavy reliance on socialisation for the development of important human traits; the development of skills such as judgement, ability to grasp what another individual feels or wants and knowing the standards of appropriate interaction and behaviour, all of which are necessary to be a moral being and to engage in activities in society. This development of the individual occurs in the family, through education and by engaging with the wider world, but also through the daily work that the individual participates in. Smith believes such socialisation is so significant that it creates almost the whole difference between a porter and philosopher.[547] Society needs its members to have and internalise these skills and standards in order for it to continue. Equally, the individual needs society (both

[546] Antti Kauppinen, 'Reason, Recognition, and Internal Critique' in *Inquiry*, 45 (200), pp. 479 – 498, p. 482.
[547] WN, I.ii, pp 28 – 29.

materially and psychologically) to exist. Thus a commercial system may not destroy these capabilities in the individual nor create the type of society which cannot develop these capabilities in its members, for this would be self-defeating.

Given Smith's own description of human beings as having sociable needs of recognition, approval and empathy from fellow humans, Smith believes humans will recreate sociable institutions that will meet these needs where the old have changed due to historical circumstance. But where humans do not spontaneously create institutions, or cannot create institutions to meet their human needs, society or government must intervene. This becomes most pressing for particular groups of people who cannot meet these needs for themselves. Thus in chapter five of this dissertation, I examine a group in eighteenth century Britain that found it difficult to meet its members' material and psychological needs – the working poor, and what the new commercial society meant for them. Smith gives both practical and moral arguments as to why the government should support education for the poor, why the tax system should not discriminate against the poor, and why legislators should not curtail the freedom of the poor to make decisions for their lives.

We can conclude that Smith envisaged his commercial system as occurring within society and under its moral norms as determined by that society's particular history and culture in interaction with the common physical and psychological needs of the people. Smith did not envisage that the new commercial system and its values would overtake and colonize all other institutions and norms. The other institutions of society must remain free of commercial values in order to provide alternative values for the development of

autonomous judgement.[548] It is a matter of justice that the conditions for the development of the faculty of judgement be protected to individuals, regardless of class.

[548] Jurgen Habermas has discussed this problem and proposed a similar solution in section VI of his *Theory of Communicative Action, Lifeworld and System: A Critique of Functionalist Reason*, vol. 2, trans by Thomas McCarthy (Cambridge: Polity Press, 1981, 1987).

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