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Introduction to a Symposium on Jesse Norman’s
Adam Smith: What He Thought, and Why it Matters

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It is widely acknowledged that the project of ‘a science of human nature’ inaugurated by the philosophers of the Scottish Enlightenment had a profound influence on their contemporaries and successors in Britain, Europe and America. The claim that this influence was most marked in the development of the social sciences is a familiar one, and does indeed have a good historical basis. Adam Ferguson’s Essay on the History of Civil Society played a significant role in the emergence of sociology and David Hume’s essay ‘That Politics may be reduced to a Science’ was, as its title indicates, an early exercise in the scientific study of politics. But the most famous example is undoubtedly Adam Smith’s Inquiry into the Nature and Causes of the Wealth of Nations. This lengthy work has regularly been heralded as a —if not the—founding text in the discipline of economics. Its status in this respect has been a mixed blessing, however.

First, for a long time it resulted in the near total neglect of Smith’s other major book The Theory of Moral Sentiments, acclaimed in its day as a highly innovative investigation in moral philosophy, and restored only in the last few decades to its rightful place amongst philosophical classics. Secondly, by being accorded iconic historical significance, Smith’s Wealth of Nations has acquired almost biblical authority for the ‘free market’ enthusiasts in political and economic debates, and hence been frequently dismissed by their opponents. But thirdly, and perhaps most importantly, however influential Smith was at the birth of economics, the discipline has moved a long way from how he conceived his own inquiry, thus obscuring the Wealth of Nations potential as a corrective to modern technocratic conceptions of relevance.

A similar point can be made about other social sciences. In her classic 1945 study Man and Society: the Scottish Inquiry of the Eighteenth Century, Gladys Bryson made just this point. The Scottish moral philosophers did not think, as social scientists came to think, that empirical rigor requires neutrality with respect to social values and political goals. On the contrary, the whole point of dispassionate empirical study, they thought, lay in enhancing humanity’s ability to direct peoples and societies to better and more worthy ends. The baneful influence of nineteenth century Utilitarianism put paid to this ambition, and led economists to fasten on maximizing ‘preference satisfaction’ as the only legitimate goal of public policy.

Beginning, perhaps, with the publication in 1981 of Knud Haakossen’s The Science of the Legislator, in a veritable flood of books and articles, philosophers and social theorists have returned to the relevance of Smith for the conduct of human affairs, and inspired by Amartya Sen, some economists have done so as well. Of course, having widened more and more over the years, the gap between academic inquiry and public policy debates cannot be bridged quickly or easily, not least because the cast of mind of ‘the theorist’ is rather different to that of ‘the man (or woman) of affairs’.

This is what lends Jesse Norman’s book special value and significance. He is, by his own description, a ‘working politician’, an elected member of the British Parliament who has held ministerial office in the area of public finance. At the same time, as his acclaimed biography of Edmund Burke demonstrates, he has proven academic credentials. He thus is especially well placed to bring sustained reflection on Adam Smith to bear on issues of contemporary public debate. A key part of doing so lies in making Smith’s thought accessible to a readership that extends well beyond the world of scholarship. The style in which Adam Smith: What He Thought, and Why it Matters is written clearly does this. No less key, of course, is the ability to present Smith’s thought accurately, and to draw plausible inferences from it. It is with a view to assessing the book on this second dimension that this symposium has been put together.

The symposium was initiated by Leslie Marsh, managing editor of COSMOS + Taxis, who asked me to assemble some comments. I invited seven acknowledged experts.
They have all published extensively on Adam Smith, and everyone I wrote to accepted my invitation very willingly. I chose people I knew would share the ambition of drawing on Smith for the purposes of enriching public policy debates. But beyond this, no unity of thought or approach was either sought or suggested. They simply undertook to read the book, and write on whatever aspect interested them, and in whatever way they chose. This ‘open’ invitation has resulted in a collection of pieces that is full of interest. I am most grateful to everyone for accepting my invitation, and for submitting their contributions well within the time agreed.

A symposium such as this would not be complete without a reply from the author. The turbulent character of British politics over recent times makes the time Jesse Norman has set aside, and the care he has given to the task remarkable. He has my grateful thanks, as I am sure he also has of the editor and contributors.
Jesse Norman’s book on Smith is impressive both as a display of learning and as an appreciation of Adam Smith. In addition, the work is a fine effort in bringing Smith alive in today’s world, which seems to be one of its main purposes. Although the book is entitled *Adam Smith: Father of Economics*, the discussion is by no means limited to economics. Law, politics, history, culture and especially morality are well covered in this work. Indeed, the penultimate chapter of the book is on morality and commerce suggesting that perhaps this issue may have been foremost in Norman’s mind. The bulk of the book, behind the very useful biography that begins the first third of it, is devoted to what might best be described as political economy. One has the clear indication that part of the purpose of Norman’s discussions is to see economics as integrated with matters outside of economics such as morality and culture.

Norman seeks to paint Smith as a man of moderation who avoids extremes while also seeing the various dimensions that might apply to a given issue. For example, Norman—like numerous others these days—is intent upon pointing out that “no one who has read Smith closely can rationally believe he is an out-and-out free marketer” (p. 187). Instead, Smith not only identifies certain pathologies of the market order but also, according to Norman, allows plenty of room for state projects and guidance of the economy. We thus avoid the extreme of socialism on the one hand and laissez-faire on the other.

Distancing Smith from laissez-faire is all well and good and no doubt true enough, but at times the effect seems to either turn Smith into a kind of Mandevillean or weakens him as a guide to much of anything. In the first case, commerce gets presented as a good thing so long as it is managed by, in Mandeville’s terms, “skillful politicians.” In the second case, Smith’s “ moderation” is inclusive of so much that he appears useful only in ruling out extremes, but not much help in guiding us within the space left after the extremes are removed. The text thus finds a place for left-Smithians, right-Smithians, and sensible non-Smithians with little guidance about how to choose between them. This may be, perhaps, exactly where Norman wants us to be, for the “evidence” is to do the talking, rather than any pre-conceived perspective on how Smith should be interpreted. Of course if that is the case, it is likely that skillful politicians will, in the end, be guiding the commercial order by positioning themselves as the best interpreters of the “evidence.” I might have been more comfortable with this outcome if it had been accompanied by as strong a sense of “public choice” theory as it is of other economic doctrines discussed in the book. But alas, only one brief mention is made of James Buchanan and public choice economics.

Although my “right” Smithian sympathies sometimes balk at Norman’s rendering of Smith for our times, the picture of the man of moderation Norman rightly points to is certainly accurate. Smith is a complex and subtle thinker and one who is interesting for that very reason. Norman does a credible job of noting some of those subtleties and how they can contribute to a better climate of political discourse. But Smith is often most interesting in regard to the tensions to be found in his thought. Perhaps because Norman is so eager to sell Smith to contemporary audiences he ignores some of these tensions. Yet such tensions, by their very contrast with our expectations, help highlight not only what is generally the case in Smith but also what the limits of those general dispositions might be. One of the most famous tensions, of course, is the one in TMS where Smith gives a negative judgment concerning the “poor boy’s” ambition but then follows this by suggesting that that very ambition “roused and keeps in continual motion the industry of mankind” (TMS IV.I.10). This tension is often used to point to Smith’s willingness to consider the moral pathologies that attend to commerce. Yet an alternative interpretation is available to us as well, namely that commerce finds ways to utilize at least some common moral pathologies to the benefit of society. Whichever way one goes, the tension does not melt away; for even if we allow that these two interpretations are not mutually exclusive, we are still left...
with which side should be pulling us more. I want to take a moment here to look at a few other tensions in Smith’s moral theory, more or less missed by Norman, that put a bit of a brake upon Norman’s enthusiastic depiction of Smith’s moral theory as a public morality for our times. But first we might note that Norman is not without his own tensions, perhaps precisely because he senses them in Smith’s text.

Norman generally sees Smith as an evolutionary moral theorist and notes, that “moral norms emerge, tacitly or explicitly, as the outcome of human action but not of human design” (p. 297). In this system there is a “selection pressure in favour of norms which are deemed most widely acceptable within a given context, even if they may be disobeyed in specific instances” (ibid.). But Norman also tells us that “markets constitute not a purely natural but a created, constructed order” (p. 242). Indeed, “wise states and wise officials have recognized this over the years and sought to enable and support markets for that reason” (ibid.). Now one could argue that markets and morality are different things, but if anything would seem to be evolutionary it would seem to be markets. Indeed, markets are the model for social thinking about anything in an evolutionary way, including morality. Moreover, to separate morality from markets runs contrary to the intent Norman has in advancing the idea of their integration. Most especially, making morality evolutionary poses a tension between that evolutionary view and the constructivism Norman allows for morality as a means to constrain markets (e.g., see his positive account of Sandel p. 311ff and his concluding worries about commercialization, p. 328).

Perhaps because of the tension just mentioned, Norman effectively throws up his hands in the end by saying that Smith “struggles to supply a wholly naturalistic basis for his theories either of norms or of justice” (p. 318). Thus while an evolutionary approach may be generally true, the tensions such an approach gives rise to not only add interest to the theory, thereby spawning different interpretations of Smith, but they also perhaps caution us from a tendency to over moralize the public realm. The last is a lesson I would draw. I am uncertain if Norman would agree, for Norman’s welcomed enthusiasm for Smith often bleeds into an impression that Smith has the answer for everything. In my view, Smith is not only comfortable with moral anomalies, but actually makes no claim that morality is the measure of all things, including commerce. I refer here not just to his rejection of the “man of system,” but to the “whining moralists” (TMS III.3.9) that seem to dominate our contemporary landscape and who wish to legislate a moral solution for every social problem. Perhaps, then, the lesson to be learned from Smith runs in quite the other direction from ceaseless moralization to a willingness to live with certain prejudices and pathologies.

In any case, our first example of a tension in Smith comes from the Wealth of Nations where Smith seems to suggest that moral propriety can be situational:

In every civilized society, in every society where the distinction of ranks has once been completely established, there have been always two different schemes or systems of morality current at the same time; of which the one may be called the strict or austere; the other the liberal, or, if you will, the loose system. The former is generally admired and revered by the common people: The latter is commonly more esteemed and adopted by what are called people of fashion. The degree of disapprobation with which we ought to mark the vices of levity, the vices which are apt to arise from great prosperity, and from the excess of gaiety and good humour, seems to constitute the principal distinction between those two opposite schemes or systems. In the liberal or loose system, luxury, wanton and even disorderly mirth, the pursuit of pleasure to some degree of intemperance, the breach of chastity...are generally treated with a good deal of indulgence, and are easily either excused or pardoned altogether. In the austere system, on the contrary, those excesses are regarded with the utmost abhorrence and detestation (WN V.i.g.10).

Here we see that the moral norms that guide us may differ depending upon the favorability of one’s circumstances. The more favorable the circumstances the less need there is to adhere to certain norms of conduct. It is likely that Smith himself does not favor the loose morals of the wealthy, but it is not clear at all that the impartial spectator would object to their conduct given their circumstances, unless there was a lack of prudence in handling one’s resources. The point, however, is that this sort of situational morality seems in tension with a morality guided by an impartial spectator who judges generally. Or to put it another way, situational relativism seems to undermine impartial spectating altogether because it undermines the functionality of generalizing norms by favoring a kind of consequentialism of circumstances. Even if one were to try and say that prudence
covers both the loose and austere moral codes in this case, it is really not clear that, in the end, prudence does so in the case of the wealthy, except at the extreme.

The second case of a tension in Smith is also tied to consequences and is often conveniently ignored when talking of Smith’s moral theory:

Every body agrees to the general maxim, that as the event does not depend on the agent, it ought to have no influence upon our sentiments, with regard to the merit or propriety of his conduct. But when we come to particulars, we find that our sentiments are scarce in any one instance exactly comfortable to what this equitable maxim would direct. The happy or unprosperous event of any action, is not only apt to give us a good or bad opinion of the prudence with which it was conducted, but almost always too animates our gratitude or resentment, our sense of the merit or demerit of the design (TMS II.iii.3.1) (see also, TMS II.iii.intro.5).

In other words, whatever the intent of the action, or lack thereof in the case of bad consequences, the consequences of the action play the most significant role in our judgment of it even when “every body agrees to the general maxim.” The tension between norms and consequences arises because “nature...when she implanted the seeds of this irregularity in the human breast, seems as upon all other occasions, to have intended the happiness and perfection of the species” (TMS II.iii.3.2). Our sentiments, then, upon which the whole edifice of morality is built are in essence “irregular” in that outcomes can trump virtually any motivation for action, as well as the norms that may arise from them, provided they bring benefits. Smith’s point is to show, of course, that we are made for the production of positive outcomes and seek the well-being of our fellows. But the effect can also be to put in tension moral rules, and perhaps propriety itself, with consequences. Even the impartial spectator feels it to some degree (TMS II.iii.2.1). This sort of consequentialism no doubt led thinkers like Kant towards a separation of morality from outcomes, and in Kant’s case from the phenomenal order altogether. Hence while the irregularity of our moral sentiments removes any deontic predilections, it also leaves us with the question of when and how, if ever, norms can or should override consequences.

The third tension has to do with Smith’s discussion of infanticide. So far as I can see, there is only a brief mention of the infanticide issue in Norman, no doubt because it would strike us, as it does Smith, as simply wrong. Yet what Smith says there is problematic, and this problematic character applies to Norman as well when it comes to using an evolutionary theory of morality. To put the point succinctly what Smith gives us there—TMS V.2.15-16—is a rant rather than an argument. The only real argument Smith offers against infanticide, besides an appeal to our sensibilities, is to say that “no society could subsist a moment, in which the usual strain of men’s conduct and behavior was of a piece with the horrible practice I have just now mentioned.” But, of course, Smith’s own argument is undermined, since Greek society did subsist for more than a “moment.” Moreover, many other societies have practiced infanticide as well. My purpose here is not to defend infanticide, nor to argue against Smith’s claim that it might be immoral. Infanticide, however, is brought up in the section of TMS on custom, giving us every reason to believe that Smith saw a difference between customary norms and moral norms. The tension here is that on a strictly evolutionary account it is difficult to tell the difference, unless one conjures up a theory about one being more deeply felt and/or pervasive or longer lasting than the other. Smith indicates the way out of the problem by referring to the idea of “natural propriety” (TMS V.2.14). But this only suggests that some important dimensions of moral norms do not evolve but are dependent on our nature... It should be noted that he allows another way out as well, going back to our first tension, in that he is open to the possibility that circumstances may mitigate completely the negative judgement about infanticide (TMS V.2.15).

The idea that our nature has some built in propensities of response that essentially do not evolve leads us to consider our fourth tension—the impartial spectator. The temptation on an evolutionary theory is to see the impartial spectator as the codification of “favored” norms that have been the result of mutual acts of sympathy over time. In short, the impartiality is the result of a process, not its origin. Smith’s famous distinction between praise and praiseworthiness—which is referred to by Norman as well—provides something of a contrast to this picture. For our idea of praiseworthiness is not primarily built out of a process of interchanges of praise, but the reverse (TMS III.2.2-4). That is, our desire for praiseworthiness precedes the love of praise, and it is praiseworthiness that we use to measure specific acts of praise, at least when no self-interest intervenes. And the matter does not rest just with praise: “man naturally desires, not only to be loved, but to be lovely; or to
be that thing which is the natural and proper object of love” (TMS III.2.1). And more generally, “nature...has endowed him, not only with a desire of being approved of, but with a desire of being what ought to be approved of” (TMS III.2.7). Notice that “nature” is again mentioned here, suggesting that evolution alone does not tell the whole story—even when speaking of norms that may be favored over time. Such norms, as we see with infanticide, must be measured against some “natural and proper” object of our sentiments. How the “natural and proper” objects play against evolving sentiments is precisely the interpretative task to which the tension calls us. Finally, there are dimensions of impartial spectating that move away from social interactions almost entirely and towards some “architype of perfection” (TMS VI.iii.25). We sometimes need to take refuge in these judgments of the impartial spectator that stand apart from the judgments of our actual society.

One way of dealing with such tensions, as we have seen, is to appeal to nature. Another way of dealing with them is to appeal to a “higher tribunal” (TMS III.2.33) or to what Norman refers to as providence (p. 318). The latter would also add another layer of contrast on to the evolutionary story, if we must include it. But our task here has not been to resolve these tensions, but to indicate their role in complicating the process of giving moral evaluations and the possibility that we may have to live with moral anomalies. Indeed, Norman himself recognizes “the relativity that comes from Smith’s insistence on moral community” (p. 296) He sees the Smithian system as being largely “empirical” which would allow for untidy moral packages in practice (p. 221). And Smith himself notes that “the general rules of almost all the virtues...are in many respects loose and inaccurate, admit of many exceptions, and require so many modifications, that it is scarce possible to regulate our conduct entirely by a regard to them” (TMS III.6.9). There may be unifying patterns that can explain away these tensions, or we might have to live with the anomalies that populate actual practice—something Smith not only allows but recommends (TMS VI.ii.2.16).

In light of what has been said above, we might consider a different direction from at least one aspect of the Smithian “renewal” Norman suggests in his last chapter, namely the need to have a Smithian public morality. Perhaps the complications of moral life suggest a focus more upon one’s own local circumstances and surroundings than upon the public at large. Perhaps it is best not to see morality as a legislative tool to be universalized across society—something against which Norman himself cautions (p. 296)—but as something better suited to a more localized context, even to the level of the individual. If that would be the lesson of Smith for our times, it is a hard lesson to hear over the din of today’s moralists.

NOTES

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Adam Smith and Crony Capitalism

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Jesse Norman is that *rara avis*: a politician who both reads and writes intelligently. Maybe such things are slightly less rare today in the UK than in the US, but they are surely everywhere much rarer than they used to be; our Churchills, one fears, are gone for good. But even so, we have much to be grateful for with Norman, who not only reads and writes intelligently but who indeed reads and writes about important ideas. In this case, they are those of Adam Smith, which, by and large, he treats presciently and insightfully in seeking to demonstrate how they can help us better understand our present political moment.

It is on this front, I think, that Norman’s book makes its most effective contribution. Norman has little to say about Smith’s life or his philosophy that hasn’t been covered and indeed covered at length by specialist scholars. As a specialist scholar myself, I’m afraid I found the first part of the book somewhat tedious, as it doesn’t add very much to what we already know about Smith. That said, I fully recognize that I’m not the primary audience of this book, and I’m grateful to Norman for the excellent job he’s done of presenting Smith and his ideas in ways that will make them intelligible and attractive to readers who might be encountering them for the first time. This is a real service. Yet I suspect that the book’s greatest service lies in the connections it draws between Smith’s ideas and today’s world.

Norman early on signals his comparative advantage on this front, noting that one of the key differences that separates his study from other previous studies “is that it is written not by a professional Smith scholar but a working politician” – “someone both dealing with and trying to understand and explain the nature of political economy in its modern aspects, practical as well as theoretical” (xv). Norman’s unique perspective benefits his study in a number of ways. Norman is, first and foremost, uniquely sensitive to Smith’s connections to powerful political figures, and insightfully emphasizes the ways in which Smith’s ties to such prominent men as Shelburne and Dundas and Townsend and Buccleuch and Pitt and others shaped his career. Norman is also acutely alive to the ways in which Smith’s world and thus his ideas were shaped by the eighteenth-century’s geopolitical conflicts, from the War of Spanish Succession and the Seven Years’ War to the American and (possibly) French Revolutions. But Norman’s political perspective bears its most important fruit when the author comes to surveying the world of political economy today.

One of the running themes of the book is the difference between commercial society as Smith envisioned it and the conditions of capitalism today. On this front, Norman makes a host of observations that seem to me very much worth making. First, Norman does a very good job of delineating the differences between Smith’s view of markets and that of market fundamentalists today, noting that “the central feature of Smith’s worldview” concerns “the embedding of market activity within a normative ethical and social framework” (p. 192), and that “markets do not function independently of human society; they are embedded in it” (p. 230). Second, he persuasively argues that Smith differs from market fundamentalists not merely in his understanding of what markets are, but also in his understanding of just what markets are good for. Norman’s Smith thus is said to find commercial society preferable to its alternatives specifically because it both assists “the development of ‘natural liberty’, and can enable human well-being and freedom to flourish – indeed to flourish better than other forms of political-economic self-organization permit” (p. 266). Third, he shows that one of the main casualties of the quantitative turn in modern economics was precisely this focus on human flourishing that was central to Smith, but notoriously hard to account for via any sort of formal modeling.

But to my mind, the most interesting element of the book is its diagnosis of the many pathologies of modern capitalism. Given space available here, I will focus on just one of these, namely Norman’s analysis of “crony capitalism.” His analysis has three parts: first, an account of Smith’s understanding of crony capitalism; second, an explanation of how we can better recognize the pathologies of crony capitalism
today if we attend to Smith’s own understanding; and third, a brief but suggestive reflection on how Smith can help us think through the proper approach to dealing with crony capitalism today.

On the first front, Norman argues that Smith’s critique of the crony capitalism of his day emanated directly from his understanding of what markets are good for. The core idea here again is that markets are valuable for Smith because of the way in which they promote human flourishing via the general spread of both opulence and freedom. And what is most important for Norman’s Smith on this front is that the ones who benefit most from this are not those at the top but those at the bottom. Crony capitalism, however, overturns this, by allowing elites to exploit power inequities in order to manipulate markets and thus redirect benefits away from have-nots to have-much-already. Norman provides a helpful exegesis of Smith’s views on this front in his analysis of Smith’s “deep critique” of a key “pathology of commercial society” (p. 271) – mercantilism. Mercantilism is fundamentally a system that worked for the exclusive benefit of a few: “it fed the ‘monopolizing spirit’ of manufacturers and merchants, whom it taught to recognize that government action could increase their profits at little or no direct cost,” resulting in an explosion of “what would now be called business lobbies and special interests, and further detriment to customers and workers” (p. 113). Smith’s careful study of the market-distorting effects of these mercantilists led him to be powerfully aware “that markets can be dominated by greed and tyranny and become separated from – and sometimes directly oppose – the public interest” (p. 235).

Norman’s study of Smith’s critique of mercantilism paves the way for Norman’s own critique of today’s crony capitalism. Here he puts to good work Smith’s distinction between systems in which markets serve the public interest and systems in which markets serve the exclusive private interests of a few; in the latter, “business activity loses any relation to, and often clashes with, the wider public interest” and indeed “business merit is separated from business reward” p. (262). Norman then argues that these pathologies manifest themselves in three discrete behaviors. The first is rent-seeking: “when businesses seek to raise their returns not through better performance in the marketplace,” but “by colluding with each other,” or “by using political influence to win unfair grants, subsidies, or exemptions, build monopoly power or impose costs and barriers to market entry on other competitors” p. (269). A second are “asymmetries of information and power” which those at the top use to “exploit and derive unfair advantage over others” (p. 270). And a third is the principal-agent problem: the idea “that someone charged with carrying out a task may have a conflict of interest, an agenda of their own which affects their judgment or performance” (pp. 270-71).

All of these were phenomena well known to Smith and familiar today. The question of course becomes how to respond. “So what can be done?” Norman rightly asks (p. 285). His answer is brief, but suggestive – and also pleasantly unexpected. I confess that, reading his analysis of crony capitalism, I was steeling myself for a different conclusion. Think back to the trajectory of the argument. Smith diagnoses market failures. So too Norman diagnoses market failures. Norman is a politician. Norman is moreover a politician who praises “the wisdom of the great political leader” (p. 148) and trains his sights on disabusing us of the “myth” that Smith was “anti-government” (p. 186f). Add all of this up, and the stage would seem set for the response to market failures that we’ve come to expect from our politicians today: more government and more regulation. But this isn’t the line Norman himself takes, opting instead for one much more in keeping with Smith.

This his response: if the goal is to minimize the monopolies of elites and indeed to enfranchise and empower non-elites, the answer lies not in expanding government power but in expanding the reach of markets. In his book, Norman reminds us that “one point is absolutely fundamental, and bears restating: that markets are the greatest tool of economic development, wealth-creation and social advance ever known” (pp. 273-74). Norman uses this point to ground his suggestion that the cure for crony capitalism, and specifically the power asymmetries on which it is founded, is to level the playing field, as it were, “by putting more computing power at the service of the consumers themselves,” and rendering them what he calls “algorithmic consumers” capable of harnessing the power of big data to optimize their decisions in the marketplace (p. 285). Now this alone surely isn’t enough to render the man on the street the overnight equal of Google and Facebook and Apple and the rest. But at the same time, it represents a way of thinking that is both faithful to Smith and maybe capable of productively moving forward seemingly interminable debates over regulation.

All told, Norman’s book does us an important service by showing us an alternative vision of capitalism, reminding us that “crony capitalism is a specific pathology, a disease of
capitalism rather than capitalism itself” (p. 275). It is to be hoped his analysis of this specific pathology, coupled with his efforts to recover Smith’s alternative vision, may inspire us to take steps to rein in certain abuses of the system but also help disabuse us of that cynicism prevalent today among the many who believe that ‘the system is rigged’ and that crony capitalism is the only form of capitalism available. Norman rightly notes that in addition to all its other ills, crony capitalism is especially pernicious insofar as it “invalidates and delegitimizes markets and commercial society itself” (p. 328). I hope his book will help take the edge off this cynicism, and reopen at least some readers to the possibility that markets, rightly understood, can indeed serve not merely special interests, but the public interest.
Adam Smith and Allegiance to Commercial Society

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John Millar, a jurist who studied with and was mentored by Adam Smith, insisted that writers erred when they celebrated the liberty of “barbarians”. Any freedom “of mere savages” is due to the “wretchedness of their circumstances, which afford nothing that can tempt any one man to become subject to another.” This barbarian liberty contrasts with the freedom of people like the “English waggoner,” who are “enabled to live in affluence by their own industry, and, in procuring their livelihood, have little occasion to court the favor of their superiors.” The freedom of the waggoner is a freedom from dependence on the will of another. It results from “commerce and manufactures” along with progress “in civilization and in the arts of life.” That freedom, in other words, originates in commercial society.

A present-day analogue of the English waggoner—a Lyft driver with a Toyota Camry—recently insisted to me that things looked quite different from his perspective. On his view, his freedom—to manage his schedule and to earn money when he wished—was mostly illusory and felt much more like exploitation than liberty. As he put it, “We’re all just working for the rich and powerful.” And he’s not alone in having that attitude. Polls taken right before the election of Donald Trump noted that 62% of Americans thought the economy was “rigged” in favor of certain subgroups, especially “the rich, politicians, banks and bank executives, and corporations.”

While the unemployment rate in the United States is 4% and the country has enjoyed almost ten years of economic expansion, Americans are not a particularly happy group right now. Life expectancy has dropped in the United States, much of which can be explained by increases in rates of drug overdose and suicide. Indeed, the Chinese—who have markets without Smithian commercial society—are much more optimistic about the future than Americans.

And, what if things get worse? What if, as Thomas Piketty argues, the period between 1950 and 1980 was anomalous in its reduction of inequality? Maybe those of us who have lived in post-WWII industrial, liberal democracies have simply been fortunate. Are we confident that the benefits of commercial society are especially robust and intrinsic to it? Perhaps, as Gibbon wrote of the period between “the death of Domitian [96 C.E.] to the accession of Commodus [180 C.E.],” we have stumbled upon a time when the “condition of the human race was most happy and prosperous.” Did many of us just live through the historical equivalent of a lucky run and mistake the results of that luck for the virtues of our system? Has a new Commodus ascended to the imperial throne?

If, as Jesse Norman contends in his thoughtful book, commercial society “has had a unique capacity to command the allegiance of citizens, and to sustain its legitimacy by increasing their prosperity and freedom,” the attitude that the system is rigged might be the greatest threat to that allegiance. Norman argues that to reinvigorate commercial society “we need a new master-narrative for our times” (p. 324, emphasis in original) and “we must return” (ibid., emphasis added) to the thought of Adam Smith in order to compose that narrative. Norman emphasizes that this new narrative for our time “must start with a new political economy” (emphasis added) and that Smith’s reflections on political economy, markets, commercial society, and the moral underpinnings of political and economic life offer “lessons” for we moderns.

I confess to being less optimistic than Norman about Smith’s lessons for our politics and society. In the spirit of engagement rather than polemic, I’d like to raise questions about Norman’s claims for the implications of Smith’s work and for the necessity of returning to it.

What lessons does Norman think Smith teaches us? Norman concludes his book by identifying six. Some of them strike me as not ones that we need Smith for. Take the following: “Commercial societies need states that are resilient, modest, strategic, and strong.” That is, we need the right amount of regulation and a reasonably active state that adjudicates disputes and provides for infrastructure, among other things. We require both a healthy private and public
sector. Is that something we need Smith to know? Perhaps one can learn something like that from Smith, but we can learn it from lots of other places too.

Or again: Commercial society is always subject to the risks of "crony capitalism," which flourishes "where companies and markets lose their connection to the public good, and where business rewards float free of underlying business merit." The lesson here seems to be something like: Be vigilant about monopoly, incentives to rent-seeking, asymmetries of information and power, and conflicts of interest between owners and managers. Surely, these are good goals, particularly as guides to legislation and citizen advocacy. I don't think anybody needs Smith to be aware of them.

When we return to the problem of allegiance to commercial society, however, we have much to learn from Smith, as Norman emphasizes. What commits us to a free society, in which individuals can negotiate the terms of their social, economic, and civic relationships?

In addressing this allegiance problem, Norman emphasizes the value of a Smithian "master-narrative." At times, it appears Norman means by this a Smithian theory of commercial society and political economy that guides legislators and particularly active citizens. But—and perhaps Norman would agree here—what defenders of commercial society require for allegiance is less a theory than a story with emotional impact. Something that hits us in the gut rather than in the head.

The sociologist Arlie Hochschild offers an alternative to an explicit theory of commercial society: a “deep story.” For Hochschild, a deep story generates commitment and organizes one’s experiences. The deep story expresses how things feel to you. Indeed, it’s the “story feelings tell” about an area of your life—personal, political, social, etc. A political philosophy without a deep story is emotionally inert.

Hochschild studied Tea Party conservatives in Louisiana from 2011 to 2016 and described their deep story as follows: “You are patiently standing in a long line leading up a hill, as in a pilgrimage. You are situated in the middle of this line, along with others who are also white, older, Christian, and predominantly male, some with college degrees, some not.” Just over the crest of the hill is the American Dream—a dream of progress. You’ve worked hard, followed the rules, and struggled. Then you see people—minorities, immigrants, some women—cutting the line in front of you. Who is helping them?! The Federal Government (and President Obama, in particular).3

Hochschild reconstructs this deep story as she tries to understand how Tea Party conservatives and allies (many of whom became supporters of President Trump) felt about the nation, its politics, and economics. While they are social conservatives and oppose liberal immigration policies, they also tend towards libertarian free-market commitments—typically out of greater distrust of government than of firms. In this story, the government (particularly in the form of the administrative and bureaucratic state) has been co-opted by the liberal, urban elite.

The more progressive left in the U.S. also appears to have a compelling, inverse “deep story,” in which entrenched hierarchy and unchecked capitalism continue to hurt the 99% and those who have been traditionally marginalized. They look to a radicalized and more democratic national government to intervene to protect the rights of minorities and defend against supposedly “free” markets. In this story, government and political activism combat the avarice and cheating of entrenched financial interests—interests that will exploit workers, deny citizens healthcare, and corrupt politicians through lobbying and fundraising. With this kind of deep story, democratic socialism has begun to capture cultural and political space in the country.

Both Tea Party and democratic socialist deep stories arise from the trauma of the financial crisis. They both tell of grievances and of how the system is rigged. They have heroes and villains.

Two questions arise for me here. First, does Norman think that these stories support commercial society, perhaps by calling out how entrenched interests distort the system and make it unfair? Or do they oppose it, by leading us away from civic and political freedom and by undermining the foundations of prosperity?

Second, does Smithian, cosmopolitan, small-c conservative commercial society have its own, similarly clear and impactful, deep story? I’d be very curious to hear what Norman thinks it includes and how Smith helps us tell it. The story told by Hume, Smith, and others about the "douceur" of commerce worked well in the eighteenth century, but can it be updated to generate allegiance to commercial society now?
NOTES


2 Marketplace-Edison Research Poll, 10/1-8/2016. I’m reminded here of Montaigne’s amazed New World “native,” on seeing the conditions in sixteenth century France: How is it that the “destitute” don’t attack and set fire to the houses of those men “fully bloated with all sorts of comforts”? [“On the Cannibals”]

One of the more striking features of Jesse Norman’s *Adam Smith: Father of Economics* is its emphasis on the “dynamic” character of Smith’s philosophy. By my count, in the 150-plus pages dedicated to explicating the content and outlining the impact and applicability of Smith’s thought, that particular expression appears at least eleven times (pp. 166, 186, 174, 201, 212, 213, 221, 293, 295, 304, 335), and similar ones appear at least nine (pp. 179, 182, 205, 213, 240, 294, 298, 299, 329). Norman consistently reminds us that Smith’s theories, whether they be of language, morals, law, or trade, always depict continuous, ongoing processes instead of static endpoints.

Norman’s main purpose in stressing this feature of Smith’s philosophy is to contrast Smithian “political economy” with contemporary mainstream economics. Norman contends that in their focus on matching the “objectivity of the exact sciences” by developing a “single abstract model,” contemporary mainstream economists tend to forget that economic activity is always embedded in lived human life in all its complexity and changeableness (p. 243). One lesson these economists should learn from Smith, Norman argues, is that it is impossible to develop a truly worthwhile “economics hermetically sealed from history, sociology, or philosophical reflection” (p. 222), let alone “politics” or “moral evaluation” (p. 325). Thus, Norman implies that economists should temper their interest in universal formalisms that apply only to fixed ideal circumstances with more careful attention to historical context, the nuances of human psychology, and other such messy contingencies.

I lack the expertise to comment productively on whether Norman’s critique is fair to contemporary mainstream economists. The same goes for the question of what a more Smithian version of contemporary economics would look like. However, I would like to highlight a tension in Norman’s overall project, albeit one that it inherits from Smith. Norman believes that in thinking more like Smith, we can make progress towards solving some of today’s most pressing social and political issues. Given his Smithian critique of contemporary mainstream economics, it is easy to see broadly why he would think this: to the extent that economics impacts policy, better, more Smithian economics will yield better policy. But as Norman is aware, what we even mean by “better” in this context will be shaped by our values. As he makes clear, Smith’s own values underlie many of his policy prescriptions. Norman tells us that Smith was not an “advocate of self-interest” in any crude sense (pp. 181-84), that he was more pro-poor than “pro-rich” (pp. 184-86), that he was “egalitarian in outlook” (p. 186), that he was not (that much of) a misogynist (pp. 217-220), that he objected morally to slavery (p. 233), and that he valued commerce both because it tends to improve people’s lives and because “it creates freedom” (pp. 235-36). Presumably, doing economics in a more Smithian-style will involve doing economics in a way that is shaped by moral positions like these Smithian ones. But does Smith provide the resources to recommend these or any other positions over alternatives? Why would turning to Smith help us not just improve our knowledge of how the economy works but also employ this knowledge in the service of the right ends?

We need to answer questions like these if we are going to read Smith as an ethicist or moral teacher as well as a theoretician who combines what we have perhaps mistakenly separated into fields like sociology, psychology, history, politics, and economics. The obvious place to look for such answers is in Smith’s moral theory. But here is where we see the tension in both Smith and Norman’s study of him. Norman points out that this theory is primarily “naturalistic and descriptive, not prescriptive—almost a theory of moral and social causation” (p. 296; also see p. 308). If this is the whole truth, then Smith cannot provide any fundamental insight on what we should value; he can only explain how we come to value the things that we do. Additionally, if we take seriously the dynamism to which Norman calls attention, the fact that we value certain things is perpetually subject to change; thus, we could not even argue on Smithian grounds that certain values are psychologically unavoid-
able, regardless of whether there are reasons why we should hold them. However, fortunately for those want Smith to give us something normative and unfortunately for those who value interpretive ease, *The Theory of Moral Sentiments* is filled with indications that some of the value judgments it explains are actually good and/or right because they are “natural” or conducive to human flourishing or divinely ordained or simply intrinsically compelling. Norman expresses sensitivity to this general feature of Smith’s work when he points out that “Smith never quite cuts his moral worldview away from the workings of providence,” which would provide his moral views with some normative basis (p. 318). Thus, perhaps confusingly, Smith’s moral philosophy seems to be both descriptive and normative at the same time.

Maybe it is enough for Norman’s purposes simply to catalog Smith’s particular moral positions and commitments. At least doing so reveals that a person can both champion free markets and hold non-economic values. But then again, one would hope that since Smith is a philosopher, he would provide us with more than just ungrounded, *ad hoc* moral opinions. Furthermore, Norman himself wants to avoid reading Smith as licensing a “moral free-for-all” (p. 319), despite the “relativity” that comes from Smith’s explanation of moral values as originating from concrete human social relationships (p. 296). Thus, it is worth trying to find some stable normative line of thought in Smith’s moral philosophy.

It would help to start with a quick overview of Smith’s account of the development and internalization of moral norms, which Norman helpfully characterizes as “an explanation for the positive moral norms and values that knit society together” and “the outside-in moral development of the individual” (p. 308). According to the former aspect of the account, the natural desire to be in sentimental harmony with each other leads us all to modify our sentiments through a process of perspectival negotiation. In short, I imagine how I would feel if I were you, you imagine how you would feel if you were me, and we meet in the middle. Repeated negotiations of this kind establish society-wide standards of appropriate ways to feel about things. We then internalize these standards when we realize that others are employing them to judge us. This process of internalization generates a conscience once we also realize that others can make mistakes in judging us. We respond to this realization by prioritizing the judgment of an impartial, well-informed version of our neighbors. Thus, the moral point of view becomes that of a person applying the perspectively-negotiated public standards of propriety with good information and without bias.

The insight in Norman’s stress on the dynamism of Smith’s theory becomes clear here because the process of interaction that generates the moral point of view never really ends. Thus, though shaped by some relatively stable features of human nature, our moral values are never static. Furthermore, the fact that they emerge from our desire for “moral community” with our neighbors means that they will vary to some extent from community to community (p. 296). The first obstacle, then, to treating Smith as a moral teacher is to find an explanation in this account for how we might come to criticize our values. The problem is that if our values only arise as tools for helping us get along with our neighbors, we might not even have the psychological resources to criticize them. Are we fooling ourselves in thinking that such a critique is even possible, let alone a good idea?

If we think that a response to this worry must take the form of pointing to robustly substantive, universally held norms that we can employ to evaluate more locally held ones, we likely will not get anywhere with Smith. But perhaps a response need only involve a certain perspective, stance, point of view, or attitude—something other than a static, detailed norm that would halt the dynamism that Norman rightly sees at the heart of Smithian moral life. The best candidate for filling this role is a commitment to the value of impartiality, understood very generally. As Norman suggests, this commitment leaves our norms and values “always potentially subject to review,” in that we can be perpetually open to the possibility that they mask some form of partiality, perhaps only made evident to us when we adopt the perspective of the party against which they are partial (p. 318). Of course, important questions remain for this strategy, not least of which being about the psychological mechanisms that would lead us to take seriously this perspective, to see it as containing a voice that “should be able to be heard”; why wouldn’t the sentimental harmony we have with all the other voices be satisfying enough (ibid.)? But at least we can see an outline of how a Smithian explanation for a truly critical perspective might work.

Even if we were to fill in this outline, harder, deeper questions still remain. These would be questions about why we should adopt this truly critical perspective. Norman is likely right to imply that certain answers would off the table for Smith, answers like, “because this perspective tracks the ex-
tra-human truth.” Norman is also likely right to imply that answers like, “because God said so” might be on the table for Smith, though such answers would be unsatisfying for many of us. That leaves answers like, “because doing so will make us happier,” “because doing so will facilitate peaceful interaction with as many different kinds of people as possible, interaction that is increasingly impossible to avoid today,” or “because consistency demands that we do so, as some respect for this point of view is built into our respect for more locally-applied forms of impartiality.” All answers of this kind are surely in need of reconstruction and defense, but none of them is so foreign to Smith as to make them non-starters.

Obviously, it would be unfair to demand that Norman’s book, which meets its own distinct aims, develop and grapple with these sorts of questions. Thus, I point to them in the spirit of pointing to work that remains to be done in interpreting and applying Smith. It is one thing to celebrate his accomplishments as a progenitor for today’s social science. It is another to point out that he held moral views and values that we might think are lamentably absent from the work of his descendants. But it is a third thing entirely to point out that he holds these views and values on a philosophically interesting, defensible basis. It is reassuring to learn that important historical figures hold moral opinions that we want them to hold. But it is better to learn from them good reasons for holding these opinions. How turning to Smith can help us in this regard remains an open question.
Jessie Norman’s *Adam Smith: Father of Economics* is filled with fascinating facts about Smith and his life, and it does a fine job placing Smith and his work in the proper historical, philosophical, and economic context. As Norman rightly emphasizes, “for Smith markets and moral behaviour are generally mutually enabling” (p. 235), but that does not mean that Smith believes “commercial society is in any way perfect or in some state of grace” (p. 236)—crucial points that many who wish to bend Smith to their own aims often miss.

In this brief note, I would like to address another important point Norman makes in connection with Smith’s conception of markets, namely that “they are not purely natural, in the sense of arising simply from God or nature” (p. 242). Norman continues: “there is no theoretical state of nature for markets, and there never was a historical one. Markets have no natural or scientifically determinable boundaries: they are human constructs” (p. 243). Partly on this basis Norman goes on to argue that Smith was not only not a proponent of “crony capitalism” (p. 271), but also that Smith was neither a proponent of a cramped “homo economicus” conception of human nature (p. 291) nor was “a market fundamentalist, an economic libertarian, or in that strong sense a *laissez-faire* economist” (p. 324). Indeed, according to Norman, Smith did and would endorse “careful regulatory interventions” into the market (p. 286) intended to “lift human capabilities and improve the capacity for human interaction, communication, and mutual recognition” (p. 319).

Norman is correct that Smithian markets are “human constructs”—they do not exist, after all, without human action. Yet there is also an important sense in which Smith believes markets, as well as the decisions people make within them, are natural. In several places Smith expresses wariness about the kinds of regulatory interventions into markets that Norman recommends, not only because of the limits Smith believed human knowledge faces (something Norman recognizes) but also because Smith seems to think that such “artificial” interpositions violate what he calls our “natural liberty” and frequently lead to worse, not better, results than allowing for the “natural” course of things.

Smith repeatedly adverts to a notion of ‘naturalness’ in *The Wealth of Nations*.1 (Indianapolis, In.: Liberty Fund, 1981; hereafter, “WN”). As Norman cites, Smith advocates an “obvious and simple system of natural liberty”; this “natural” system arises when every person “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, 687). Smith contrasts this “natural” system with “every system which endeavours, either, by extraordinary encouragements, to draw towards a particular species of industry a greater share of the capital of the society than what would naturally go to it; or, by extraordinary restraints, to force from a particular species of industry some share of the capital which would otherwise be employed in it” (WN, 687). What Smith calls “extraordinary encouragements” and “extraordinary restraints” are for Smith artificial and thus in conflict with what is “natural.” The problem with artificial interposition, according to Smith, is that it is “in reality subversive of the great purpose which it means to promote. It retards, instead of accelerating, the progress of society towards real wealth and greatness; and diminishes, instead of increasing the real value of the annual produce of its land and labour” (WN, 687).

Those are strong words, but they are not isolated. Elsewhere in WN Smith writes: “No regulation of commerce can increase the quantity or industry in any society beyond what its capital can maintain. It can only divert a part of it into a direction into which it might not otherwise have gone; and it is by no means certain that this artificial direction is likely to be more advantageous to the society than that into which it would have gone of its own accord” (WN, 453). In fact, Smith gives us positive reason to believe that “artificial” regulation would lead to deleterious
consequences. According to Smith, "every individual, it is
evident, can, in his local situation, judge much better than
any stateman or lawgiver can do for him" how he should
allocate his resources (WN, 456). Individuals have knowl-
dge of their own resources, of the opportunities available
to them, and of their own schedules of value and purpose
that a legislator, statesman, or regulator will not possess.
That puts individuals in a relatively better epistemic posi-
tion than are legislators to know what decisions individu-
als should make, given the constraints they face, about how
to achieve their ends. Moreover, Smith argues, every “indiv-
odual is continually exerting himself to find out the most
advantageous employment for whatever capital he can com-
mand. It is his own advantage, indeed, and not that of the
society, which he has in view. But the study of his own ad-
vantage naturally, or rather necessarily, leads him to prefer
that employment which is most advantageous to the soci-
ety” (WN, 454). For that reason, Smith writes, a statesman
"who should attempt to direct private people in what man-
er they ought to employ their capitals, would not only load
himself with a most unnecessary attention, but assume an
authority which could be safely be trusted, not only to no
single person, but to no council or senate whatever, and
would nowhere be so dangerous as in the hands of a man
who had folly and presumption enough to fancy himself
fit to exercise it” (WN, 456). Strong words indeed—and, it
would seem, a strong caution against the kind of artificial
“careful regulatory interventions” Norman suggests Smith
would endorse.

Smith uses the language of “natural” vs. “artificial”
throughout his writings, including not just in WN but also
in his Theory of Moral Sentiments and his Lectures on Juris-
prudence. But to focus only on WN, Smith advocates, for
example, “a society where things were left to follow their
natural course, where there was perfect liberty, and where
every man was perfectly free both to chuse what occupa-
tion he thought proper, and to change it as often as he
thought proper” (WN, 116). Smith frequently connects his
idea of the “natural course” of things with the liberty of in-
dividuals. For example, “But the policy of Europe, by not
leaving things at perfect liberty, occasions other inequali-
ties of much greater importance,” including “by restraining
the competition in some employments to a smaller num-
ber than would otherwise be disposed to enter them,” “by
increasing it in others beyond what it naturally would be,”
and “by obstructing the free circulation of labour and stock,
both from employment to employment and from place to
place” (WN, 135). Again: “Let the same natural liberty of
exercising what species of industry they please be restored
to all his majesty’s subjects, in the same manner as to sol-
diers and seamen; that is, break down the exclusive privileg-
es of corporations, and repeal the statute of apprenticeship,
both which are real encroachments upon natural liberty,
and add to these the repeal of the law of settlements, so that
a poor workman, when thrown out of employment either in
one trade or in one place, may seek for it in another trade or
in another place” (WN, 470).

Such examples could be multiplied, but perhaps they suf-
cce to reflect Smith’s repeated aversion to “artificial” inter-
vention into the market. Smith’s argument seems to be that
when third parties intervene in others’ decisions about allo-
cating their resources, choosing their vocations, accepting
or declining employment, and so on, not only does it vio-
late the “natural liberty” of first and second parties to make
such decisions on their own but it also leads to inferior re-
results. The latter ensues because third parties do not possess
the “local” knowledge that first and second parties do but
that is required to make good decisions. For third parties
to believe otherwise is, according to Smith, “folly and pre-
sumption.”

Now, Smith might be wrong about all of this, or at least
some parts of it. For example, there might be cases in which
legislative or regulatory intervention into markets is neces-
sary to address the “intrinsic weaknesses” (p. 328) of com-
mercial society that Norman articulates, including such
things as “imperfect information, limited human rational-
ity, preference-formation and transaction costs” (p. 331).
And, as Norman rightly emphasizes, Smith himself ac-
nowledged a duty of government of “erecting and main-
taining certain publick works and publick institutions”
(WN, 687–8), including infrastructure and limited public
support for elementary education. Thus, as Norman again
rightly argues, Smith was not wholly or naïvely anti-state
or anti-government. Smith supported a robust state for the
protection of “justice” against both foreign and domestic
aggression, as well as to address the “certain publick works
and publick institutions” he thought would benefit substan-
tially all citizens but could not be provided by private enter-
prise. As Norman shows, Smithian markets require protec-
tions of the persons, the property and possessions, and the
voluntary agreements and contracts into which people en-
ter, and this, Smith thought, was the primary purpose, even
the raison d’être, of the state. For all that, however, Smith
nevertheless also seemed to believe that people would ‘nat-

urally’ make better decisions about how to allocate their own time, talent, and treasure than legislators or regulators could ‘artificially’ do for them, and that the resulting ‘natural’ flows of capital would tend to benefit not only the individuals themselves but would also “promote the publick interest” (WN, 456).

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It takes guts for a politician to write about Adam Smith, who defined politicians as “that insidious and crafty animal vulgarly called statesman or politician, whose councils are directed by momentary fluctuations of affairs” (WN IV.ii.38). Politicians care only about how they look in the eyes of others: they build roads to nowhere to impress nobles (WN V.i.d.16), and let “formidable” interests “intimidate” them (WN IV.ii.43). Yet, Jesse Norman seems to rise above Smith’s accusations, and reflects more what Smith defines as “the science of the legislator” (WN IV.ii.38). Norman seems able to detach himself from his political position and read Smith, including his analysis of political corruption, in a scholarly way.

Smith’s own understanding of the Wealth of Nations is indeed a “very violent attack [against] the whole commercial system of Great Britain” (Letter to Andreas Holt: 26 Oct 1780). Today we would say, as Norman rightly says, that Smith’s Wealth of Nations is a powerful attack against crony capitalism.

Smith, pretty early in the Wealth of Nations, tells us that masters and working poor have not only different bargaining power but also different political powers. The masters, being few and in proximity of each other, can easily collude and conspire against the working poor and society in general (WN I.x.27 and WN XI.p.10). The working poor have few remedies to this. They cannot hold out as long as the master can (WN I.viii.12). And if they ever try to collude, the masters will loudly protest and make sure that the law against the collusion of the working poor is implemented as severely as possible. There are no laws against the collusion of the masters. The masters have very strong political ties. The working poor have none (WN I.viii.13).

This asymmetry of bargaining power that masters have is exacerbated when combined with asymmetry of information. Masters manufacturers and merchants know very well how to enrich themselves. Politicians want to enrich the country, but do not know how. Merchants and manufacturers claim they know how to enrich the country given that the know how to enrich themselves (WN I.x.c.25). And the politicians buy into these lies. They are lies because merchants and manufacturers know very well that to enrich themselves they need to buy inputs at low prices, sell final products at high prices, and reduce competition as much as possible. Exactly the opposite of what would benefit society: more competition and lower prices for consumption goods (WN I.xi.p.10). Yet, the wealth and the power of these interests groups is so large that they can shame and push around politicians into following their advice, even to the point of “extortion” (WN IV.viii.3, WN IV.viii.4, WN IV.viii.17).

And so we have what Smith calls “the mercantile system”, a pathology, in Norman’s words, of commercial societies. And a pathology it is, even in Smith’s eye. He called the colonial trade, the most mercantile instrument of special groups’ enrichment, an overgrown organ which can cause convulsions or even death. And the fear of the bursting of this sick organ is so great that even the Invincible Armada or a French invasion are not intimidating in comparison (WN IV.Vii.c.43).

Yes, the entire British Empire is for Smith a construction of the mercantile interest, and thus deserving his most ferocious attacks. These special interest groups build an empire “employing the blood and treasure of their fellow citizens” (WN IV.vii.c.63): the skyrocketing debt that Britain had was the result of British colonial wars meant exclusively to create and protect the monopolies that benefited British merchants and manufacturers (WN IV.Vii.c.64).

For every tax or subsidy that Smith analyzes, there is a special interest group that lobbied for it so they would benefit at the expense of society. The damage to society occurs on multiple fronts. Consumers have to pay a higher price. They have to pay for the subsidy, or the war. And they have to face a more slowly growing economy, given that markets are reduced by monopolies: prosperity depends on the division of labor, and the division of labor on the extent of the market. When markets are constrained, opulence is constrained. Britain grew so much during the expansion
of the empire not because of the empire but despite it (WN IV.vii.c.47-55).

Norman picked up all of this. He also picked up Smith’s solution: incorporate the colonies into Britain. Give them full representation in parliament and create a Union, just like it was done with Scotland (WN IV.vii.c.68-74). This would create a huge internal market where all the tariffs on foreign goods and subsidies on domestic ones requested by special interest groups would have to disappear. And the now huge market would bring huge opportunities for the division of labor and immense universal opulence (WN V.iii.68-92).

Norman is remarkable also in seeing the parallels between Smith’s time and ours. Where I wish he would have been more vocal is in a possible solution which he does not mention: the abolition of cronyism, at least in regards to international matters, is achieved with the abolition of borders. One of the techniques of mercantile interests is to demonize foreigners, to justify the building of walls to restrict markets:

nations have been taught that their interest consisted in beggaring all their neighbours. Each nation has been made to look with an invidious eye upon the prosperity of all the nations with which it trades, and to consider their gain as its own loss. Commerce, which ought naturally to be, among nations, as among individuals, a bond of union and friendship, has become the most fertile source of discord and animosity (WN IV.iii.c.9).

Open borders imply an inability to tax “foreign” goods and subsidize “domestic” goods. It also implies an increase in competition which is what, for Smith, keeps markets in check. It is competition for workers that prevents American masters from cartelizing. And the wages of the American working poor are remarkably high (WN I.viii.23). Open borders would decrease the powers of cronies and also be an additional solution for global inequalities.

Not by accident, Smith strongly condemns the Poor Laws, laws that prevented poor from migrating to different parishes in search of work. Substitute “parish” with “country”:

we never meet with those sudden and unaccountable difference in the wages of neighboring places which sometimes we find in England, where it is often more difficult for a poor man to pass the artificial bound-

ary of a parish, than an arm of the sea of a rich of high mountains, natural boundaries which sometimes separate very distinctly different rate of wage in other countries. To remove a man who has committed no misdemeanor from the parish where he chuses to reside, is an evident violation of natural liberty and justice (WN I.x.c.58-59).

Smith favored the Union between England and Scotland. Opening the border between the two countries brought prosperity to both, especially the then poorer Scotland. He favored the same for the colonies. He favored free movement of capital and of people, both on efficiency and on moral ground. The step to suggest open borders today is not that long. Yet the same consideration he made for his proposal to create a Union with the colonies may apply to open borders today:

The private interest of many powerful individuals, the confirmed prejudices of great bodies of people seem, indeed, at present, to oppose to so great a change such obstacles as it may be very difficult, perhaps altogether impossible, to surmount. […] Such speculation can at worst be regarded but as a new Utopia, less amusing certainly, but not more useless and chimerical than the old one (WN V.iii.68).
Jesse Norman’s new book on Adam Smith is a welcome addition to Smith scholarship. One significant reason for this is that Norman, as an academic and a politician, attempts to straddle two sides of Smith: Smith the philosopher and Smith the policy adviser. As Eric Schliesser’s (2017) recent book has argued, Smith saw himself as fulfilling both of these roles and Norman, with a background in academic philosophy and a day job in the British Parliament, is well-placed to reflect on what Smith might have to teach us in today’s world. Indeed his observation that the *Wealth of Nations* ‘is not merely a work of analysis, but a polemic against bad policy making’ (p. 100) reflects a growing trend in Smith studies. In responding to this lucid and enjoyable book I would like to raise two points, one that reflects on its contribution to Smith studies and one that relates to Norman’s policy lessons from Smith. The two points, I hope to argue, are mutually interrelated.

Attempts to ‘re-claim’ the ‘real’ Adam Smith are now a major theme in Smith studies, and Jesse Norman’s account of Smith fits squarely within this move to dismiss the caricature of Adam Smith as the father of laissez faire capitalism and libertarian politics. In line with other accounts in this field the first part of Norman’s book gives us a Smith who is both principled and pragmatic: a man of liberal instincts but small ‘c’ conservative doubts about the effectiveness of government action. In this respect Smith comes across as close to the subject of Norman’s previous biography Edmund Burke.

The desire for an accurate portrayal of what Smith really thought, purged of later attempts to recruit him for ideological purposes, is laudable, but in common with some of the recent contributions to the reclamation project one is left with the question of whether the corrective might be beginning to go too far. Both Samuel Fleischacker (2004) and Charles Griswold (1999) have taken the line that Smith was not averse to government intervention in the economy, but that he was sceptical of particular policies until there was sufficient evidence that they would effectively secure the desired goal without other, and unfortunate, unintended consequences. In this vein Fleischacker has suggested that the modern left may have much to learn from Smith when it comes to designing effective policies.

This does not seem a million miles away from the view that Norman advances here, however he also makes the case for reading Smith as an egalitarian. Norman’s Smith is ‘Remarkably egalitarian both in thought and practice’ (p. 137); he shares his teacher Francis Hutcheson’s ‘egalitarian view’ (p. 19); and builds concerns about inequality into his tax recommendations (pp. 109, 247) leading Norman to refer to ‘Smith’s economic egalitarianism’ (p. 259) and see his work as ‘a vigorous critique of the class structure of British society’ (p. 247).

There is certainly plenty of evidence marshalled by Norman and others that Smith was deeply concerned for the poor and deeply critical of the cronyism of British politics and business: but does this make Smith an egalitarian in any meaningful sense? Smith clearly defends equal liberty before the law and policies designed to improve the situation of the ordinary worker and consumer, just as he is damning about the corruption of policy to serve interest groups, but did he hope to create a more equal society as a result?

Smith’s pragmatism about his own proposals in the *Wealth of Nations* is famously captured by his observation that the interests of different orders in society made it unlikely that the system of natural liberty would ever be adopted in its totality (WN IV. ii: 471). Smith the pragmatist, just like Burke, recognised the reality of ‘rank’ and inequality and its crucial role in providing social stability (TMS I.iii.2.8: 57). He seems to have favoured a fluid class system that allowed the talented to rise, yet he never advocates the removal of rank as a whole (TMS I.iii.2.6: 56). Smith,
as Norman observes, was not a believer in ‘perfect’ markets (p. 169), nor was he ‘Anti-Government’ (p. 241), but nor, for that matter, does he advocate the use of the tax system to deliberately bring about more egalitarian holdings. To ameliorate poverty through lower taxes for the poor and rising wages from a growing economy is not necessarily egalitarian and if we want to ‘reclaim’ the ‘real’ Smith then we need to be careful about seeing these much later ideas in his work.

This leads us to the second observation that I want to make about Norman’s reading of Smith. This pertains to the second part of the book where we see Norman attempt to apply the lessons of the reclaimed Smith to contemporary political problems. To his credit Norman is excellent on the application of Smithian ideas to questions of regulation and crony capitalism in the modern economy. Smith’s commitment to equality before the law is a powerful tool in criticising crony capitalism and attempts to enrich one’s self through the political process. The discussion of the gravy train and executive pay are both close in spirit to Smith’s own attacks on similar phenomena in the eighteenth century. But it is here that we see a curious omission from Norman’s analysis. Yes, it is obvious that these things can be seen in banking and major corporations, but they are ubiquitous in modern societies and represent the reality of ‘rank’ in our world.

It is here that we strike a problem for Norman’s reading of Smith. In line with his earlier work on the idea of compassionate conservatism (Norman and Ganesh 2006) Norman attacks the culture of a managerial elite who live in a distant world from the rest of society. The solutions advocated in Norman’s earlier work: personal responsibility, decentralisation, accountability, and what came to be known as ‘the big society’ (Norman and Ganesh 2006, p. 61) appear to be in the background of his Smithian policy agenda. The idea is to revitalise civil society provision and see it work as an alternative to direct state intervention or commercial provision.

The problem with this reading is that the detached managerial elite do not just exist in business and banking: they are typical of all modes of organisation in contemporary society, from high ranking public servants, to university vice-chancellors, to the chief executives of charities and non-governmental organisations. The very forces that Norman identifies as problematic in the economy are endemic in the very institutions that he advocates as an alternative to direct government action.

Rent-seekers (and a Smithian ‘Public Choice’ analysis of the damage they do) are a key part of Norman’s policy prescriptions for the operation of the economy (pp. 245-46). But would-be monopolists seeking government support are just as likely, some might argue are even more likely, to be found in the so-called third sector as they are in the business world. The governmentalisation of civil society and the centralisation of powers and finance from local to central government have been longstanding features of the British political system. Indeed the development of anti-monopoly legislation applied to businesses, one might argue, has made cronyism easier to achieve amid the grant funded mainstream of charitable and civil society organisations. These organisations seek to secure state approval and funding to become the monopoly advocate in their chosen field. They are staffed by professionals, career ngo-ists, who move from one organisation to another, seamlessly between the state, public services and charities, always well-paid and well-pensioned. Scotland, both in Smith’s day and our own, has always been a tightly meshed sinecure network between the state and the para-state.

It is here that we see the potential one-sidedness of Norman’s policy advice. When he argues that “The deepest threats are those which directly affect the idea of human value itself. One is the continuing commercialisation of the public realm’ (p. 297) we might wonder whether the problem really is one of commercialisation. Instead it may be a deeper problem about how we think any sort of organisation – government, business, and charity – should structure itself. The cult of the ‘executive’ is pervasive in our society and it transcends commerce and public service. The problem is not so much the commercialisation of previously uncommercial areas of society, rather it is a dominant understanding of management, its rewards, the status, and, yes, the ‘rank’ that comes with it, that creates exactly the sort of problems that Smith noted in the government and merchants of his own time.

Many of the policies that Smith supported in terms of government action were intended to be provided at a local level and to be responsive to those who funded and used them. When Smith criticised cronyism he did so in both government and charitable sectors. The managers of joint stock companies were negligent because they were managing other people’s money and were not liable for losses (WN V. i. e: 740-1), but the state funded teachers and the endowed fellows in the universities (WN V. i. f: 761) were just
as negligent of their duties precisely because they were immune from the very ‘commercialisation’ Norman attacks.

As we noted above, Smith was a pragmatist. The politics of his day were characterised by endemic cronyism and patronage and he did not hope to remove them entirely. The fact that our own politics are characterised by much the same features might lead us to observe that these are an indelible part of the nature of the political. Something we might dislike, but up with which we shall have to put. And that would be a lesson in Smithian pragmatism well worth learning: we can advance a detailed, philosophically coherent inquiry and advocate policy based on it, but we need to be modest in our expectations of what that can achieve in a world where the interests of particular ‘ranks’ of people will always be against it.

REFERENCES


Cosmos + Taxis have assembled a very distinguished group of scholars to comment on my recent book on Adam Smith. In considering their remarks I have been struck both by their quality and by the degree of engagement they reflect—and still more by their sympathetic understanding of the slightly unusual nature of the book. I warmly thank all of the contributors, and Gordon Graham and Leslie Marsh for bringing this forum together.

The book is unusual in seeking to discharge a wide range of functions at the same time, and in a fairly small compass. In the first place, it is designed to be a brief and accessible, but I hope also authoritative, introduction to the life and thought of Adam Smith. Secondly, it seeks to debunk many of the myths and caricatures which have grown up around Smith, taking aim in particular at competing misinterpretations from different parts of the political spectrum. Thirdly, it is intended to offer a more in-depth analysis of Smith’s thought, and to highlight both his impact and the continuing relevance of his ideas to a host of current political, economic and social problems.

Combining these three goals, and the different modes of analysis and expression required to achieve them, is not a straightforward task; I discuss its demands and constraints in more detail in the Acknowledgements to the book. But as with my book on Edmund Burke, my (rather immodest) historiographical hope has been to rework the category of intellectual biography in a way that gives more scope to nuanced and sympathetic discussion of complex ideas, without losing the reader. Otherwise the biographer faces the problem of moving from the subject’s choice of breakfast, so to speak, to their views on the 18th century market for Bills of Exchange or some other abstruse but important topic, and then—many analytic pages later—back to their preferences for dinner.

In his comment, Ryan Hanley shows himself well aware of these different goals and the constraints that they impose. He offers a brief but very cogent recapitulation of some of the central ideas of the second half of the book, in particular in relation to what I have called crony capitalism. As he detects, although I am myself a working politician I have approached these issues very much in the spirit of academic analysis and debate. But I do allow myself a Smithian move into the persuasive, if not the polemical, when it comes to present-day issues, though not in any party-political way. In a chapter for a forthcoming book on counsel and advice to leaders, I show how Smith himself kept his advice to politicians free of party entanglements, with a studied neutrality that many academics today struggle, or actively do not seek, to achieve.

Maria Pia Paganelli also highlights the importance of detaching a scholarly perspective from any specific political orientation. She focuses with great insight on the links between mercantile interests, the British Empire, and crony capitalism. She sees the modern solution, internationally at least, in open borders, quoting Smith’s line that “Commerce, which ought naturally to be, among nations, as among individuals, a bond of union and friendship, has become the most fertile source of discord and animosity.”

I am afraid I am not so sure about these matters, either as a reading of Smith or on the substance of the policy. I suspect Smith’s concern was always more for the conflict caused by “jealousy of trade” and its supposed mercantile inspiration, than for the effects of nationalism or xenophobia as we understand them today. And the idea of open borders carries with it its own dilemmas, for example in the brain drain of talent from developing countries, something I discuss in Chapter 9 of my book.

Inevitably, these comments can be also read in relation to the vexed issue of Britain’s withdrawal from the EU. It is a parlour game to speculate on what Adam Smith’s position would be on particular modern issues, especially one as controversial as Brexit. But if we simply focus on the principles involved, I do not think it is obvious which principle Adam Smith might have chosen to invoke. On the one hand, he might well have celebrated the ability to trade without friction across borders offered by the EU Single Market,
and the depth of market, specialization and value creation afforded by membership of the European Union. On the other hand, he would have noted the faster rates of economic growth to be found elsewhere around the globe—and his 1778 memorandum to Wedderburn illustrates his awareness that over time sovereignty could shift within a federal system across traditional national boundaries and towards areas of greater size and population. He would thus seem to be sensitive to both sides of the argument in British politics.

Colin Heydt also offers a more contemporary political take on the issue of free market capitalism. He asks in relation to the six lessons that I pose at the end of my book whether in fact Smith is necessary to any of them, or whether we could learn those lessons elsewhere. The answer may well be that we could, though that in turn begs the question whether those sources might themselves have been influenced by Smith. Certainly within the western tradition that seems likely.

But my own view is that it is of great independent interest to derive these lessons directly from Smith. First, because of the depth and interlocking complexity of his ideas, which generate intellectual resources that I believe scholars and politicians have yet to appreciate in full. And secondly, because Smith’s own immense authority and prestige help to give his ideas currency and power which a more circumstantial derivation might not provide.

But there is a third reason as well. Heydt very interestingly emphasizes the potential for “deep stories” to serve as narratives of grievance able to fuel nationalism and populism, and asks from where a countervailing deep story might come in support of commercial society. But I would say that one of the greatest achievements of The Wealth of Nations was, precisely, to identify and establish a “deep story” in 1776 about the sources of human wealth and productivity. That story has itself been long-lived and enormously influential, and it has helped to make The Wealth of Nations so as well.

I do not know from where exactly a new deep story in support of commercial society is to come. But my suggestion has been that, in part at least, such a story may not need to be invented but can be recovered, and Smith himself can be a crucial route to its recovery. That is, a “new master narrative” can come from a wider and better-founded appreciation of Adam Smith and the deep story he offers, and from a better grasp of the innumerable ways in which commercial society has in fact made people’s lives better across the globe since his death. There is a continuing tendency for commentators only to see these matters in national terms specific to them, and the rapid escalation of inequality at the very top end of the income and wealth spectrums in the US, the UK and some other countries is apt to distort a much wider and more positive picture of developing commercial prosperity around the world.

Jim Otteson nicely brings out a traditional problem in the interpretation of Adam Smith, between his view of markets as human constructs, his apparent willingness to entertain specific interventions in markets—and his advocacy of “the obvious and simple system of natural liberty” and insistence that state interventions can be harmful to human prosperity.

There is a genuine tension here in Smith’s thought. But perhaps I can make some remarks which lessen the tension a little. In the first place, let us note that Smith appears to contemplate a wide range of specific interventions in markets. These include: the Navigation Acts; taxing spirits more than beer to reduce consumption of alcohol; the granting of temporary monopolies to stimulate overseas trade in remote or hostile regions; a duty in law to pay workers in cash rather than in kind, as protection against fraud; higher taxes on rents in kind than on money rents; the compulsory registration of mortgages; enforcement of building standards; sterling marks on silver plate and stamps on textiles, to show quality; special regulation of the banks, and of currency; and even a five per cent limit on the maximum rate of interest, as a protection against the wasteful activities of ‘prodigals and projectors’.

But these are specific interventions; they are not well thought of in the abstract categories of modern policymaking. Smith is not advocating temporary monopolies as such, for example; he is prepared to contemplate one or more in a specific policy context, all things considered. This willingness to tolerate what in other circumstances might be deemed a second best outcome is part of what Donald Winch has notably referred to as Smith’s “wisdom of Solon”.

Secondly, Smith’s preoccupation seems to focus on both ends of what we might call the spectrum of political intervention. On the one hand he is indignant in The Theory of Moral Sentiments about the “man of system”. On the other, he is no less scathing about “that insidious and crafty animal, vulgarly called a statesman or politician, whose councils are directed by the momentary fluctuations of affairs”. So it would seem that he greatly dislikes interventions that are very wide-ranging, systematic and oppressive, or that are petty, tactical and representative of a particular interest
at the expense of what he takes to be the public good. There are thus, it would appear, a range of intermediate interventions in markets that Smith can in principle properly endorse given his lights.

Thirdly, I think there is a subtext running through much of Smith’s thought, in the latent comparison between France and Britain. What had been claimed as the great advantage of the French political system, its capacity for state direction from the centre by appointed advisers—a capacity used both by Turgot and Necker—strikes Smith as a damaging exercise of unchecked power.

It is when British policy seems to approximate to this absolutist approach, based on court priorities not the public good, fitting an abstract theory not a qualified “science” based on human experience, exercised through political appointees not elected representatives, that Smith is most hostile to it. This is at the heart of his criticism of the Physiocrats. But this topic really requires a more detailed treatment, and of course it has received many over the years.

John McHugh also raises a serious problem with the interpretation of Smith, this time in his moral theory. If, as I argue, *The Theory of Moral Sentiments* is at root a descriptive theory of moral psychology, how can it sustain any normative judgements at all? If it cannot do that, how can it be used to criticize other moral viewpoints—indeed, does it have any value as a work of moral philosophy at all? And if not, where does this leave the idea of Adam Smith as a moral teacher?

Again, these are deep waters. But I think we can rescue Smith from this sceptical line of attack, although of course questions will remain. First of all, it is important to be clear that Smith does not see himself as engaged in a Kantian-style project of establishing moral foundations. His goal is in the first instance the more limited one of identifying and characterising a process by which human beings as social animals come to develop moral norms and values. Yet it does not follow from this descriptive and analytical account that Smith’s theory is free from normative implications, because once a norm has been established within a community it exercises a degree of moral force, for good or ill. In effect, then, Smith offers an account which takes us from the fact of human practice and habit to public or private norms, and so to putative moral and social values.

The result is an approach which does not take up the (highly demanding) quest for ultimate moral objectivity. But it identifies what has proven to be an enormously fertile and influential way to think about social learning and the establishment of norms. It establishes what is psychologically an immediately recognizable theory of conscience. And philosophically, it allows moral judgement to be exercised both comparatively between sets of norms, and critically between the content of a norm or value, and the extent to which people comply with it. Cutting across a number of modern disciplines, this is a very considerable achievement.

Douglas Den Uyl also carefully highlights problems and tensions in Smith’s moral theory, including the concern about moral relativity. His fear is that the explanation and defence of Smith in my book may end up making him an intellectually lifeless figure, offering “the answer for everything”. Now Smith is himself such a multifarious, complex and qualified thinker that, as Jacob Viner noted, it is a poor scholar indeed who cannot find some support for their theories in his work. And it has certainly been my goal to make a persuasive case for the depth, importance and continuing relevance of his work. But that is not, as all the contributors recognize, at the expense of the truth. Smith’s thought is far from a cure-all, and in the book I point out several areas in which it is limited, out of date or just plain wrong.

The Smith that emerges escapes the charge of being simply Mandevillian, because he is a theorist of abstention as well as of extravagance, of capital accumulation and progress as much as of present consumption. But there is a also a methodological difference: Smith’s is a qualified and dynamic picture of human development, while Mandeville’s—to take the conceit seriously, as he intended—is stylized and static.

Den Uyl suggests that “Norman effectively throws up his hands in the end by saying that Smith ‘struggles to supply a wholly naturalistic basis for his theories either of norms or of justice’.” But in drawing this conclusion, I did not mean to suggest that Smith’s account must inevitably fail, only that Smith was not in fact able to detach his putatively naturalistic account from a substantive and perhaps religious worldview. It is Smith’s hands that go up, and the biographer’s job is to note that they must do so.

Finally, to highlight a moral dimension to all human exchange is not to “moralise the public realm”, or at least not in any “thick” sense; and I would share concerns about programmes of public morality, as I think Smith would. The point is surely that views which see markets as “purely” about interest and law and not norms and trust, still less those which argue that economics is a value-free science, are mistaken; that analysis and policy prescription which do not recognise this normative dimension for good or ill
are likely to prove inadequate; and that norms form a social resource which is both vital and under-appreciated by economists. Indeed, as Den Uyl notes, "commerce finds ways to utilize at least some common moral pathologies to the benefit of society." I think that is correct, both in fact and as a reading of Smith. The passions that drive people towards a slavish regard for the rich and powerful are the same passions that help drive the competitive desire to better one's own station.

Finally, Craig Smith highlights issues connected to equality and "rank" in Adam Smith, and asks whether it is really right to see him as egalitarian. Of course, the word "egalitarian" has many meanings, and perhaps I should have made clearer what I had hoped was evident: that there is a world of difference between the equalising goal of 20th century redistributionist policies, and the kind of moral and legal equality that sits at the heart of Adam Smith’s worldview.

For Adam Smith, as for Hume and many others of the time, the rule of law lay at the heart of British liberty. That connected freedom from arbitrary detention, due process in court, and a core body of rights to free speech, freedom of association and the like. It is a marker of the supersession of feudalism. But Smith goes much further than this, not in advocating state programmes of redistribution and mass poverty relief, but in his deep sense of human equality, a sense that privileges the workers in legislation against the masters, that recognizes and seeks to relieve "mental mutilation", and that acknowledges the dignity of a Diogenian tramp by the side of the highway, among much else.

As Craig Smith notes, there is no evidence that Adam Smith sought to use the tax system to promote social equality as such. But there is evidence of his support for at least some progressive taxation, and it would be entirely in keeping with his worldview if the commercial society financed in part by that tax revenue had the effect of making the least well off a bit more affluent. After all, he is a believer in "universal opulence", and the legitimacy of commercial society lies in the fact that all do better within it.

Craig Smith also taxes me with inconsistency, in not seeing that issues of "rank" and managerial self-entrenchment can exist in all forms of organisation, governmental and not-for-profit as well as private sector. It is true that I have not discussed this point much either in my book on Smith or in previous work, though readers may be interested in my review of Weber’s “Politics as a Vocation” last year, which is touches on these matters (online at www.jessenor-man.com). It is also true that this is a serious issue, and long endemic to the management of large organisations.

But I have never taken the view that organisations outside the private sector are exempt from this concern, and it is easy to see how a Smithian analysis of the problems of principals and agents, asymmetries of information and power, and rent extraction can be applied to them. In general, we might note in Smithian spirit, these problems tend to be lessened by decentralization, greater accountability and competition and, be it said, in some cases by better regulation. They will never be eliminated entirely, but that is no reason not to seek improvement, both points that Adam Smith was wise enough to understand.

These comments will, I hope, underline the importance of the issues raised by the contributors. Again, I offer them my profound thanks.
Editorial Information

AIMS AND SCOPE

COSMOS + TAXIS takes its name and inspiration from the Greek terms that F. A. Hayek famously invoked to connote the distinction between spontaneous orders and consciously planned orders.

COSMOS + TAXIS offers a forum to those concerned that the central presuppositions of the liberal tradition have been severely corroded, neglected, or misappropriated by overly rationalistic and constructivist approaches. The hardest-won achievements of the liberal tradition has been the wrestling of epistemic independence from overwhelming concentrations of power, monopolies and capricious zealotries. The very precondition of knowledge is the exploitation of the epistemic virtues accorded by society’s situated and distributed manifold of spontaneous orders, the DNA of the modern civil condition.

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