Morality in Adam Smith —


Like blades of grass shooting up in an already verdant countryside estate, the introduction of new scholarship on Adam Smith faces the daunting task of offering distinctive commentary on the Scottish moral philosopher and political economist, given the flowing abundance of high-quality Smith literature that continues to be produced year after year. This difficulty is particularly manifest in light of the many events and conferences in 2023 celebrating the tercentenary of Smith’s birth. Forget Das Adam Smith Problem concerning whether Smith’s emphasis on sympathy in The Theory of Moral Sentiments and his endorsement of economic self-interest in The Wealth of Nations can be reconciled: Smith has now reached the level of Das Abraham Lincoln Problem, the challenge of carving out novel intellectual terrain in heavily saturated fields of study.

In Smithian Morals, however, Daniel Klein’s thought-provoking interpretations of Smith certainly meet this high standard. A professor of economics and head of the Adam Smith Program at George Mason University, Klein has compiled a delicious pastiche of previously published yet revised chapters and essays (some co-authored) that yield deep and idiosyncratic insights into Smith. Smithian Morals furnishes familiar material to those who have read Klein’s work previously, and it is not the ideal volume for lay readers interested in gaining a basic understanding of Smith’s thought and biographical background (nor do I suspect Klein intended the book to be read this way). Nevertheless, for those keen on penetrating dimensions of Smith that have remained underappreciated or underexplored in Smith literature, Klein’s book is a tantalizing place to start.

Smithian Morals is divided into twenty-eight chapters, many of them refreshingly short and concise, that critically examine key tenets of Smith’s political, social, moral, and economic philosophy, ranging from synchronous language in his Theory of Moral Sentiments to his views on slavery to the intellectual origins of classical liberalism. The meatiest chapters—“Classical Liberalism: A Short Introduction,” “What’s Natural about Adam Smith’s Natural Liberty?” “Nature, Convention, and Natural Convention,” “The Liberal Christening,” “The Recovery of Liberty,” and “You Are a Soul”—strike the essence of Klein’s interpretation of Smith, and of classical liberalism, and can be captured by a number of guiding principles.

First, Smith’s thought is the exemplar of Klein’s definition of classical liberalism as “don’t take other people’s stuff” (“stuff” defined as persons, property, and promises due), or what Klein characterizes as commutative justice. Second, an essential corollary of this definition, or what Klein calls the “liberty maxim” or “presumption of liberty,” is that, generally speaking, policy reform that grants a wider scope of liberty should be preferred over reform that does not. Identifying this maxim as the “spine” of liberalm, Klein does acknowledge that liberty may have to be reduced at times in order to preserve and expand liberty overall.

Third, Klein’s conception of Smithian morals includes the proposition that it is “useful and agreeable” both to “pattern your thoughts along the lines of benevolent monotheism” and to think of yourself as “a soul that owns its person.” (Klein does avoid asserting firm conclusions about the metaphysical essence of a soul.)
The chief implication of this sharp analysis is that Klein rightly interprets Smith as a thinker who, first and foremost, constructs a moral argument in favour of liberty. This interpretation poses a blunt challenge to: a.) facile accounts of modern liberty that, armed with a black Sharpie marker, draw a straight line from proto-liberals in the early modern period to contemporary forms of radical subjectivism; and b.) economistic accounts of Smith’s notion of liberty that designate it merely as a tool for wealth maximization. Klein’s interpretation, in my reading of Smithian Morals, doesn’t even rest his understanding of Smithian liberty on Smith’s idea of the Invisible Hand and his belief that enlightened self-interest promotes the common good. It is instead informed by the elemental moral claim, as mentioned, that each soul owns its person, and that one’s life, liberty, and property therefore warrants sacrosanct protection.

Accordingly, Klein persuasively demonstrates that Smithian liberty, spanning the Theory of Moral Sentiments and the Wealth of Nations, is cushioned by the sentimental attachments and habits of character necessary to condition a people for the responsible enjoyment of freedom. Liberty in the Smithian sense was not exercised by utility-maximizing atoms but by relational creatures in community. Klein further shows that the advent of Smith-inspired liberal political economy was grounded in natural jurisprudence and moral philosophy. Utilizing his gift for crafting powerful yet pithy sentences, Klein brings out the richness and complexity of Smith’s thoughts on these topics with care and subtlety.

A number of other lucid insights adorn the pages of Smithian Morals that would pique the interest of students of Smith and the early modern period. One of the most compelling chapters is Chapter 13, in which Klein and his co-author Erik Matson merge Smithian and Humean notions of nature and convention to arrive at a conception of “natural convention,” exemplified most powerfully by liberty and commutative justice (more on this later). In addition, Chapters 7 through 9 offer some of the most discerning textual analysis in the Smith literature of Smith’s early condemnation of slavery in the Theory of Moral Sentiments. Here Klein clarifies his own stance on Das Adam Smith Problem, arguing that, much like Smith’s strictures on slavery in the Theory of Moral Sentiments should be read in conjunction with his arguments highlighting the economic inefficiencies of slavery in the Wealth of Nations, the former book should in fact be read as Smith’s ethical framework for the latter. Furthermore, Chapter 16 addresses the birth of the political meaning of the word “liberal,” which Klein, like F.A. Hayek, argues is rooted in Smith’s use of the term in the Wealth of Nations rather than in continental political vocabulary. As a leading scholar of liberalism, Klein deserves much credit for striving to recover a proper conception of this word that has been twisted and distorted like a pretzel throughout the 20th century.

The portrait of Smith emerging from these chapters is one imbued with a brighter philosophical glow than a historical one. Klein thus engages in close textual reading—for those moved by the esoteric flair of Straussian hermeneutics, see Chapter 24, “Isn’t It Odd? 21 Prompts to Reading Adam Smith between the Lines”—to tease out the various interpretations and ambiguities of Smith’s thought. This methodological approach to the study of Smith is worthy of considerable merit.

But I am wondering if Klein thinks there are any limits to this approach as well. To wit: How applicable is Smith’s endorsement of the Invisible Hand and spirit of natural liberty in a
modern economy in which he and his contemporaries could not have envisioned its unique ethical complexities, such as big data and consumer privacy rights? Moreover, as Michael Gonin has shrewdly noted, Smith appealed to the butcher and the baker—embodied artisans integrated into the social habits and customs of local communities in Smith’s time—to communicate his defence of enlightened self-interest. Many large businesses today are not similarly immersed in neighbourhoods. Might greater attention to the historical Smith, not to mention the historical David Hume, Edmund Burke, and other defenders of market liberty in his age, deepen our awareness of both the merits and limits of applying eighteenth-century conceptions of political economy to contemporary economic circumstances?

Without rehashing too much of Klein’s debate with Daniel Mahoney and Helena Rosenblatt over Klein’s definition of liberty as it relates to Smith and other liberal thinkers, and with the understanding that the chapters in Smithian Morals are not intended to be comprehensive in scope, there are nevertheless a number of additional questions prompted by Klein that call out for deeper elaboration:

Are Klein’s definition of liberalism and his interpretation of Smith reductionistic? Does Smithian classical liberalism—even if guided by moral sentiments—always hold that temporary reductions in liberty are necessary only insofar as they promote greater liberty overall? Or does this intellectual tradition ever suggest that there are in fact some things worth sacrificing liberty for besides liberty, such as honour, character, and involuntary moral obligation? To push this question beyond the context of Smith, is marriage, for example, important as an institution insofar as it demands the sacrifice of individual liberty for greater liberty? Or does it promote something even nobler than liberty?

In Chapter 14 Klein cites with approval Deirdre McCloskey’s thesis that the rise of liberal ideas and sentiments led to what McCloskey calls the Great Enrichment, characterized by the explosion of wealth and alleviation of poverty. But let’s propose some sort of Great Happiness thesis: Does more and more liberty necessarily lead to more and more happiness, the enrichment of the soul as well as the satisfaction of the body? If not, then what can complement liberalism to help facilitate happiness? Is it Smith’s conception of sympathy and benevolence? Different people of course achieve happiness in different ways—but does this quest not transcend the goal of maximizing liberty?

Similarly, libertarians, classical liberals, and conservatives often criticize the lack of a limiting principle in progressivism. Klein’s arguments throughout Smithian Morals convey this belief as well, at least when it comes to the expansion of government. Yet Klein’s endorsement of the liberalization of social affairs, which he mentions in Chapter 10 in his succinct summary of classical liberalism, raises the same question: Is there a limiting principle to constantly liberalizing existing social relations? Is it simply the Harm Principle? The liberty maxim? Are there any net drawbacks to a never-ending process of liberalization? Even more: While the aim of achieving more and more liberty may flow as a logical consequence from Smith’s rebuke of the mercantile system in the Wealth of Nations, does this goal truly catch the essence of Smith’s moral philosophy in the Theory of Moral Sentiments?
In addition, Klein writes that a presumption of liberty is worth naturalizing because it “serves the good of humankind.” He also contends that commutative justice, defined as not taking other people’s stuff, is a “natural convention” that has a generalized form but is one that accommodates a variety of concrete applications.

But what if Smithian notions of liberty and morality, as Klein interprets them, are not universally cherished around the world? What if some communities retain an understanding of commutative justice that is different from not taking other people’s stuff? Should natural liberty still be naturalized in these communities, if in a steady and incremental manner?

Finally, given the title of Klein’s book, which ethical theory then is Smith’s defence of liberty ultimately rooted in? Deontology? Utilitarianism? Virtue ethics? This question admittedly is difficult to answer given the medley of ways in which Smith’s thought can be credibly interpreted. To take but one example, Smith in the Wealth of Nations both affirms the sacredness of natural liberty, suggesting an intrinsic deontological quality to liberty itself, and traces a tight connection between free markets and public opulence, emitting the utilitarian inclinations in his thought.

In the end, maybe the strongest argument in favour of Smithian morals—even more so than sympathy, benevolence, and other motifs of Smith’s ethical theory Klein astutely describes in this volume—can be distilled by a telling vignette about his life: Smith’s friends long suspected that the man whose Invisible Hand concept would later be crudely caricatured as a license for greed donated substantial portions of his private wealth to charities, enough so that they were surprised to learn that Smith possessed only a modest amount of property upon his death in 1790. Perhaps the full extension of the spine of Smithian classical liberalism would reveal both the binding maxim of not messing with other people’s stuff, as well as the binding maxim of messing with one’s own stuff to give to those in need.

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