

Adam Smith and the Conditions of a Moral Society  
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Introduction by Chrisitel Fricke

An international Adam Smith conference celebrating the 250th anniversary of *The Theory of Moral Sentiments* was held in Oslo, Norway, on August 27 - 29, 2009. It was jointly hosted and funded by three Oslo based research institutions: the *Centre for the Study of Mind in Nature* (CSMN / Christel Fricke and Raino Malnes), the *Centre for the study of Equality, Social Organization, and Performance* (ESOP / Kalle Moene) and the *Seminar on Theory of Science* (Ragnvald Kalleberg).

We are here publishing some of the contributions to the conference. All have been peer reviewed and revised for the publication in the *Adam Smith Review*.

Adam Smith wrote the TMS before academic disciplines were distinguished as they are today. He deals with a number of topics which are now seen as falling into the area of competence of different academic disciplines, including not only moral philosophy but also sociology, political science, psychology, history, pedagogy, law and economics (the latter in so far as what Smith has to say in the TMS about, for example, the driving forces of human motivation and interaction as well as about both national and international justice provides an important background for properly understanding his theory of national economics in the WN). And this list of disciplines may not even be complete.

Whereas philosophy takes its own history to be among its main areas of research, nothing similar is the case for any of these other disciplines. However, reading the TMS today is more than a matter of purely historical interest. For Smith, morality is on the one hand an achievement of human civilisation and on the other a result of individual learning. Both these aspects of the phenomenon of morality are of great interest in present debates. Questions concerning individual humans' emotional dispositions and moral capacities, the role of socialization and moral learning, the impact of culture on moral development, the driving forces and dynamics of human interaction, the process of civilization and the evolution of human morality are high up on the agenda of scholars interested in human nature and, in particular, the nature of morality and its evolution. In his TMS, Smith explores the social, economical and political conditions of a moral society and its historical development as part of the process of civilization, laying out a blueprint for the moral foundations of modernity. Based on observations of human behaviour, he argues that human beings are by nature disposed to take an interest in other people's well being, even if their own utility is not affected by it. Whereas Smith speaks of human 'sympathy', this disposition is now labelled as 'altruism'. Smith rejects the originally Hobbesian claim that humans are intrinsically selfish, interested in nothing but their own well being and utility. The view of human nature as exclusively selfish survives until today in the notion of the 'homo oeconomicus'. Smith's rejection of this anthropological claim has, in the meantime, been strengthened by experimental research in motivational psychology and behavioural economics. Today, his TMS can provide ample inspiration for further research in philosophy and the behavioural sciences. It is for this reason that the organizers of the Oslo conference have joined forces and invited philosophers, economists, political scientists and sociologists to comment on Adam Smith's moral theory from their respective points of view.

The papers published here address the controversy over the questions whether or not the TMS does contain a normative moral theory and, in so far as it does, which view of morality Smith defended. Furthermore, contributors discuss various aspects of Smith's account of the nature and dynamics of the reactive attitudes of gratitude and resentment. These attitudes are

shaping human interaction not only inside the circles of families and friends but also among members of a commercial society who meet on the marketplace. Through the papers published here, TMS reveals as a source of philosophical, sociological, political and economic thought which can help us to further develop our modern understanding of human nature and the conditions of a moral society.

Maria Alejandra Carrasco takes a close look at Smith's genetic explanation of the emergence of moral conscience with a particular focus on the transition from developmental psychology to moral philosophy proper. In her account of the way in which Adam Smith builds a 'bridge' from the amoral (psychological) to the moral sphere she distinguishes four kinds of sympathy: (1) sympathy as a transfusion of sentiments which one can find in very young children and even in higher developed animals; (2) identification sympathy as depending on practical imagination which opens up to the circumstances and including a capacity to evaluate an agent's passions and actions; (3) mutual sympathy between an agent and a spectator, where the agent becomes the 'spectator of the spectator'; and (4) moral sympathy, as due to the appearance of the impartial spectator within. Carrasco sees the move from (3) to (4) as representing the transition from the psychological to the moral realm, a reflexive turn that produces second-order or rational desires. The moral ideal – as far as it is at all achievable by humans – is incorporated by the 'wise and virtuous'. Carrasco reads Smith's account of reflection based impartial sympathy as anticipating Richard Hare's account of an impartial judgment (as approved of by anybody in the same circumstances) and Kurt Baier's account of such a judgment (as based on a reversibility test).

Carola Freiin von Villiez accommodates both the descriptive and the prescriptive elements of the TMS as essential parts of one normative moral theory. She argues that, according to Smith, communal moral standards are natural side-effects of the interactions between individuals. These interactions are to be understood in terms of a process of moral progress. Von Villiez distinguishes between three main steps in this process, according to the degree of impartiality of the sympathetic feelings of the respective spectator and the corresponding degree of justification of his judgment: at first, the spectator relies on 'empathy' as the criterion for *natural justification*, afterwards on 'social consensus' as the criterion for *conventional justification*, and finally on 'universality' as the criterion for *moral justification*. Only judgments based on universally valid norms, on 'moral norms proper' are moral in the strict sense of the term. The step from the second to the third level is marked by the acquisition of conscience. Persons with conscience do not depend on actual social consensus for their moral judgment; rather, they rely on the internalized spectator and his capacity to distinguish praiseworthiness from actual praise. According to von Villiez, the distinction between praise and praiseworthiness is ultimately conducive to ideally impartial norms, that is, to moral norms proper.

Christel Fricke suggests a third reading of the TMS as a normative moral theory. According to her, the core of this theory is Smith's account of the rules of justice – rather than his theory of conscience, as many scholars assume, including both Carrasco and von Villiez. The rules of justice are not constituted by the spectatorial process between a person concerned and her impartial spectator. This is because an (implicit) endorsement of these rules is a condition for the person concerned and her spectator for engaging in a spectatorial process in the first place and for the possibility of their agreeing on shared moral standards. Shared moral standards arising from a spectatorial process have both factual and justified authority. The rules of justice, however, have absolute authority. Human beings are naturally motivated to act in accordance with the rules of justice; but the process of socialization within a particular culture

gives rise to prejudices about who is (and who is not) among those whose feelings and interests have to be respected. Smith's moral account of the socialization of a child (and his account of civilization at large) is therefore ambivalent: On the one hand, socialization is indispensable for a child's moral education. But on the other hand, any process of socialization takes place under contingent conditions and gives rise to prejudices about who is to be respected as an equal. The rules of justice prescribe to respect all people as equals, independently of their cultural identity, and to take their interests into account: universal respect is a requirement of impartiality.

Samuel Fleischacker takes Smith's claim according to which self-deceit is 'the source of half the disorders of human life' literally and explores from this starting point Smith's notion of the self and the dangers of self-deceit. Sources of self-deceit are to be found in the passions, and a person can limit the impact of the passions on his judgment and volition by relying on rules of action. For Smith, the self is essentially a social self but not, as for Hume, a social construction which is not identical over time. The self is essentially divided between a spectator and an agent. For this reason, self-consciousness as well as self-deceit are for Smith phenomena governed by norms of agency and by moral norms in particular. Finally, Fleischacker relates Smith's account of self-deceit to the phenomenon of akrasia.

Duncan Kelly explores Smith's theory of propriety in the framework of his account of 'persuasive agency', claiming that 'the propriety of agency is a measure of how persuasive its claims to our sympathy might be, particularly when seen from the vantage point of the impartial spectator'. As for an example of the challenges of impartial propriety, Kelly relies on the character of Cordelia from Shakespeare's *King Lear*. Cordelia's expression of her love for her father is proper in the eyes of the spectators: Persuasive as her communicative action is, Cordelia gains the spectators' sympathy. But her audience on stage, and her father in particular, fails to recognize the real propriety of her speech – as it is not in accordance with the formal propriety as defined by the etiquette at the court. The case of Cordelia illustrates the possible discrepancy between standards of propriety as arbitrarily defined by a particular group and those impartial standards of propriety to which we appeal in our natural desire for approbation. Action should be governed by propriety, but it should aim at persuading those whose sympathy is with impartial propriety.

The papers mentioned so far draw on Smith's theory of human interaction and its emotional drives as sources of morality without paying much attention to the substantive changes which Smith witnessed in the society of his time. It is these changes that Lisa Hill addresses in her paper, changes from a pre-commercial to a commercial society. Hill draws on sociological theory in order to examine Smith's understanding of the social physics of life in the commercial age. According to her, Smith was fascinated by the social changes he witnessed in his own time, changes brought about by material progress and social and economic expansion: He saw strangers meeting on the marketplace, in need of a legal framework that could provide mutual trust where such trust had not been previously established by extensive former personal acquaintance. Accordingly, Smith describes the affective, social and moral psychology of a world that was moving from homogeneity and the exigencies of security to differentiation and the demands of commerce. While being aware of the dissolution of the primordial ties of blood and territory, Smith explained how commercial society could still be adequately regulated and held together – by contract, the cool virtues, the division of labour, a minimal and properly managed state and a regular system of justice and police. Whereas Hill diagnoses a certain ambivalence in Smith's attitude to commercial society, she argues that he saw the ideal of a liberal commercial society to be more 'peaceful, orderly and predictable than

its stadial predecessors ... partly because its regulating mechanisms are generated *outside* intensely emotional and exclusivistic social units like the family, the village, the *umma* or the feudal estate' (13).

John O'Neill shares Hill's interest in the interaction of members of a commercial society as explored by Smith. He takes his starting point from recent debates about the politics of recognition: Is recognition a cultural matter that can be studied without taking economic inequalities into account, or is it intrinsically shaped by economic inequalities? Whereas the debate has extensively explored the Hegelian theory of recognition, including Hegel's discussion of Rousseauian views, O'Neill explores the particular position of Adam Smith and the way Smith responds to the egalitarian challenges raised from the side of Rousseau (and others). According to O'Neill, Smith provides a theory of recognition which understands the economy as a sphere of recognition and the distribution of goods within the economy as closely related to problems of recognition. Smith's attitude to the commercial society is to some extent ambivalent: He is aware of the social invisibility of the poor as an example of misrecognition in commercial society, that is, of the divorce of recognition from its proper object. But, according to O'Neill, Smith is defending commercial society nevertheless, describing it as a social order in which independent agents mutually recognise each other as such.

In his contribution, Jon Elster focuses on the topic of strong reciprocity as explored by Seneca and Adam Smith. Strong reciprocity can be either negative (resentment) or positive (gratitude). On behalf of the phenomenon of strong reciprocity, Elster distinguishes between two questions: There is on the one hand the normative question about the right response to an action (the right degree of resentment or gratitude) and on the other the positive question about the motivational impact these feelings actually have. Elster explores both Seneca's and Smith's answers to these questions, compares them to each other and then looks at their views from the point of view of contemporary experimental research in behavioural economics. He draws attention to two phenomena in particular: Experimental findings confirm that people are naturally disposed to excessive retaliation of suffered harm. But if a third person punishes the offender rather than the victim himself, the punishment is more moderate. Furthermore, Smith is anticipating that a victim would gain more pleasure from punishing his offender himself than from seeing him punished by a third person. This claim has not yet been tested in experiments. Both phenomena provide interesting aspects to be taken into account when addressing the normative question about the right degree of gratitude, resentment and punishment as a response to an act of benevolence or offense.

Vivienne Brown argues that the TMS provides resources for showing why it might be rational for players to cooperate in a one-shot Prisoners' Dilemma game. She develops a new mode of practical reasoning for interdependent players which shows that it might be individually rational, not self-sacrificial, to cooperate in such a game. She argues that the respective mode of reasoning, which shows that 'instrumental cooperation' can be the outcome of individual maximization given the nature of players' interdependence, is in tune with Smith's account of intersubjectivity in the TMS. According to this account, individual agents internalises their awareness of interdependence: Smith develops an intersubjective conception of the 'self' which allows new insights for understanding social dilemmas.

Karl Ove Moene reminds us of the historical fact that Smith's WN has been instrumentalized by conservative liberalist economists: In Smith's name, they campaigned against any political interference in the market. Smith's reputation as a liberalist capitalist who ignored the needs

of the people at the poor end of society has made him a welcome target of left-wing anti market mechanism ideology. Moene sets off to free Smith from his ideological captivity. He argues that Smith was defending a policy of economics and society that is best captured by comparing it to the so-called Scandinavian model: The Scandinavian model is distinguished by comprehensive labour market organizations, a large welfare state and a system of routine consultation among government and representatives of interest organizations. The typical policies are wage compression, lowering high wages and raising low wages; the provision of basic goods for all citizens as a right of citizenship; and a government commitment to full employment. In his re-reading of the WN, Moene argues that these aspects of the Scandinavian model of social democratic development owe more to Adam Smith than to Karl Marx.