ADAM SMITH'S SOCIAL THEODICY

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Abstract
There are two tensions in Smith's system of ideas: the first is between the postulate of an invisible "noumenal" order of the Universe and the imaginary principles through which we connect the phenomena; the second is between a hypothetical noumenal order of the world where "is" and "ought" converge and the partial and imperfect normative order issued by our sympathetic judgements and a never perfectly impartial spectator. These tensions, which gave occasion to old misrepresentations and recent ones, are tensions in a unitary (though rhapsodically completed) system of ideas where the final unanswered question was the problem of evil. Against a widespread belief, Smith was no secularist but a fideist who took Bayle's question seriously: why is man wicked and unhappy? The private ethics of prudence, justice, benevolence and the public ethics of liberty, justice, and equality were modest proposals for coping with the problem of social evil, of a "practical" kind, the only one available after Smith's refutation of natural theology, his last word on the causes for evil.

Recent Adam Smith scholarship has revived the thesis of a discontinuity between his two published works more than once. Laurence Dickey proposed a more sophisticated version of this thesis suggesting a discontinuity between different phases of Smith's intellectual career[1]. The present paper will not deny that there are compatibility problems between claims advanced in different works, or even different passages of one work. Still, it tries to work out an alternative account for these tensions, based on the hypothesis of an essential tension in Smith's system of ideas. In more detail, this paper argues four claims. The first – opposed to Dickey's – is that the main issue in Smith's system of ideas was Theodicy. One essential tension connected with this question is that between a postulated, so to say, "noumenal" order where *is* and *ought* converge and several partial orders that may be detected or reconstructed in social phenomena[2]. The second – opposed to Vivienne Brown's – is that the double standard of virtue is an essential idea in Smith's normative ethics. Still, acknowledging its importance is compatible with the claim of the consistency of Smith's oeuvre. The third thesis is that Smith was under the pull of two demands in every field, from science to morality and politics. He tried to find a way out of this tension by a dialectical strategy, an attempt that has left traces at various places in his work. This thesis is incompatible with recent interpretations that try to pin Smith's system to one

[1] Previous versions were presented at the fourth ESHET Annual Meeting, Iraklion, April 2002 and the Congreso ibero-americano de Filosofía moral y política, Alcalá de Henares, September 2002, and then in workshops at several universities, benefiting from criticism by Antonio Almodóvar, Gloria Vivenza, Maria Luisa Pesante, and Filippo Bruni. A Spanish version was published as La teodicea social de Adam Smith, *Empresa y Humanismo*, 13/1 (2010), pp. 333-374.

[2] See D. FORBES, Natural Law and the Scottish Enlightenment, in R.H. CAMPBELL, A.S. SKINNER (eds.), *The Origins and Nature of the Scottish Enlightenment*, Donald, Edinburgh, 1982, pp. 186-225; S. CREMASCHI, Two views of Natural Law and the Shaping of Political Economy, *Croatian Journal of Philosophy*, 2, 2002, pp. 65-80.

philosophical doctrine such as Stoicism or Scepticism. The fourth claim – opposed to the received view[3] – is that Smith's system of ideas is «more empirical and less secular» than is commonly believed and that his fundamental question in ethics, politics and even "economics*"* is why evil exists, that is, the issue of Theodicy.

1. *Das Adam Smith Problem*: the folk view

Three versions of *das Adam Smith Problem* are still circulating: the first is what we may call the *folk view*, based on the idea that there is indeed a moral basis in *The Wealth of Nations*, but a minimal one, the so-called "mercantile" morality, and this is still the view accepted by most economists[4]. The second is Vivienne Brown's dichotomy between the "dialogical*"* voice in *The Theory of Moral Sentiments* and the "didactic*"* voice in *The Wealth of Nations*, an approach that leaves the latter work devoid of "real*"* moral concern[5]. The third is Dickey's view according to which Smith's views in 1759, 1776, and 1790 present us with significant differences, that his diagnosis of social life acknowledged more and more the presence of a tendency to "corruption*"* of our moral sentiments, and that his final view was heavily pessimistic[6].

As far as the *folk view* is concerned, it may be worth reminding that *The Theory of Moral Sentiments* is one out of several philosophical works which met with an odd reception: it gave the author renown during his lifetime and was translated into German and French; interest was beginning to decrease in 1790, when the author, 14 years after *The Wealth of Nations*, published the sixth edition that included significant additions, but French and German translations based on previous editions kept on circulating. Around 1800, there was a Smithian revival as an effect of a curious constellation of circumstances. At the time of the Napoleonic wars, he started to be referred to as an authority in the British Parliament by both *Whigs*, who opposed the state's intervention in regulating private enterprise in the name of individual liberties, and *Tories*, who cared for the sanctity of property. After Smith's canonisation, citations from *The Wealth of Nations* became compulsory[7]. Malthus and Ricardo quoted Smith as an established authority in a controversy about two opposite views of the political economy's method, scope, and function[8]. The rise of *The Wealth of Nations* to superior fame went with a loss of interest in *The Theory of Moral Sentiments*, not to mention the *Essays on Philosophical Subjects* (posthumously published in 1795). Accordingly, by the end of the nineteenth century, The *Wealth of Nations* had been read for several decades in isolation from the remainder of the author's work. English-speaking historians of economic thought up to the third decade of the twentieth century believed that *The Theory of Moral Sentiments* was an exercise in rhetoric by a young scholar. This sin could be forgiven, as the author shifted to more serious concerns afterwards. In the second half of the nineteenth century, the Germans created a historiographic *Scheinproblem*, inspired by the Historical School's polemics against the "English*"* political economists' allegedly "rationalist*"*

[3] But it is close to claims by D. FORBES, *op. cit*. and A.M.C. WATERMAN, *Political Economy and Christian Theology since the Enlightenment*, Palgrave Macmillan, London, 2004, pp. 88-106.

[4] See for ex. S. ZAMAGNI, *Economia e etica*, AVE, Roma, 1994, p. 65.

[5] See v. BROWN, *Adam Smith's Discourse*, Routledge, London 1993.

[6] See L. DICKEY, Historicizing the 'Adam Smith Problem'. Conceptual, Historiographical and Textual Issues, *The Journal of Modern History*, 58, 1986, pp. 579-609.

[7] S. RASHID, *The Myth of Adam Smith*, Elgar, Cheltenham, 1998, ch. 7; E. ROTHSCHILD, *Economic Sentiments. Adam Smith, Condorcet, and the Enlightenment*, Cambridge (MASS), Harvard University Press, 2001, ch. 2.

[8] See S. CREMASCHI & M. DASCAL, Malthus and Ricardo on Economic Methodology, *History of Political Economy*, 28, 1996, pp. 475-511.

and "atomistic" approach. They read *The Wealth of Nations* through such thick spectacles as to be able to discover its individualism, mockery of benevolence, praise of "interest", so-called *Armonienlehre*. The reason for this was that German economists still had a more traditional philosophical education than their British colleagues, were not influenced by utilitarianism and, at least for some time, kept on reading *The Theory of Moral Sentiments*. Because of their interpretation of *The Wealth of Nations*, they found a severe problem. They did not know how to reconcile the two books that appeared to extol self-interest and benevolence with each other. The issue was the focus of a sustained discussion, yielding many publications nowadays forgotten or quoted second-hand[9]. A few sensible hypotheses were put forth among much nonsense, such as the conjecture of Smith's conversion to materialism taught by the philosophes during his stay in France. One was the coexistence of two doctrines as partial theories within a more encompassing system that made room for benevolence and self-interest, each prevailing according to the given context of action. The *Adam Smith Problem* arose from a lack of historical information and a philological mistake. Firstly, the discussion on the relationship between *The Theory of Moral Sentiments* and *The Wealth of Nations* ignored the still undiscovered *Lectures on Jurisprudence*, a work dedicated to the theory of justice, the intersection between ethics and politics. Secondly, they interpreted Smith's sympathy as identical to Hutcheson's benevolence (note that the latter was a pretty famous author in Germany). Sympathy is instead just a resonance effect accounting for the interaction between separate minds. It is an idea analogous to Newtonian gravitation, which accounted for action at a distance with which the controversy between the Cartesians and the Newtonians began. Once understood in these terms, sympathy is not the contrary of self-love, but instead, self-love itself is moved by a sympathetic thrust, in so far as what we long for are not real pleasures that are satisfied even too quickly, but pleasures of imagination, which arise from the fact of being admired and envied.

The German thesis in drag is still around. Most economists now admit that *The Wealth of Nations* does not imply psychological egoism. Nonetheless, they assume it implies a narrower kind of morality than *The Theory of Moral Sentiments*, so-called "mercantile morality". This belief is incompatible with reading the whole of *The Wealth of Nations*. The work's overall structure is a sustained argument for policies that foster a quasi-republican society based on individual rights. Acknowledgement of self-interest (not selfishness) as a morally acceptable motive was one of several arguments pointing at the existence of system-integration mechanisms based on the unintended results principle. The existence of spontaneous order was a powerful reason against artificialist approaches in favour of enforcement of the «system of natural liberty», which in turn was made plausible by systems of "social integration" based on sympathetic mechanisms that make social actors converge in approving of «perfect justice, perfect liberty, perfect equality»[10].

2. *Das Adam Smith Problem*: Brown's two voices view

One version of *das Adam Smith Problem redivivum* is Vivienne Brown's dichotomy of dialogical approach in *The Theory of Moral Sentiments* and didactic approach in *The Wealth of Nations*, an approach that leaves the latter work devoid of any "real" moral concern. She claims that «the fact that the neo-Stoic Smith's discourse has contributed in the de-moralisation of economic and

[9] See D.D. RAPHAEL & A.L. MACFIE, Introduction, in A. SMITH, *The Theory of Moral Sentiments* [*TMS*], Clarendon Press, Oxford, 1976.

[10] A. SMITH, *An Inquiry into the Nature and Causes of the Wealth of Nations* [*WN*], ed. by R.H. Campbell, A.S. Skinner, W.B. Todd, Clarendon Press, Oxford, 1976, IV.ix.16-17; cfr. IV.ix.3 and IV.ix.51.

political categories and to the construction of an economic canon in which moral debate has virtually no place»[11] is not the effect of misunderstandings but the result of Smith's argument, which downgraded justice to a lower-rank virtue and turned the economic and the political into "amoral*"* domains.

In Brown's view, the conceptual framework of *The Theory of Moral Sentiments* is the Stoic moral philosophy. This philosophy provides yet just a regulative idea. Less demanding standards dictated by "Nature" are the viable ones. The Stoic moral hierarchy survives the Stoic system's acknowledged failure, leaving self-love, prudence, and justice in the condition of "inferior*"* virtues. Besides, the work is "dialogical*"* or discourse in a plural voice: the author, the reader, and the community of human fellow beings. *The Wealth of Nations* is instead "monological", a discourse uttered by the author in a "didactic voice*'*. The main consequence of this monological character is that the impartial spectator already disappeared well before *The Wealth of Nations* in the *Lectures on Jurisprudence*, in so far as justice is not a "real" moral virtue requiring moral judgement, but just a matter of following rules; and this implies that political and economic discourse is "amoral*'*.

The main substantive problem of Brown's approach is the need to emphasise the difference between justice and other virtues. That justice was a second-rank virtue for Stoicism is a fact. Still, it has to do with the Stoics' views on the uniqueness of virtue and the consequent troubled search for an appropriate classification for *kathékonta*, i.e. those kinds of behaviour which, albeit not authentically virtuous, are to be preferred yet to vice and folly. On this account, a shift from "second rank*"* to "amoral*"* is not justified, neither for the Stoics nor Smith, and this shift is the weakest and less clearly argued move made by Brown[12]. Brown concludes that Smith's readers misread the claim of the moral indifference of wealth-seeking activities as a vindication of amoralism. This interpretation is less new than she believes. Indeed, the widespread misreading of Smith on this point is a consequence of a complex process that took place more or less in the following way: the neo-sceptics had argued the thesis that good and evil are apparent and relative; a distinction between two realms of virtue, one apparent but useful for the earthly city, the other the only real one, though useless for this world, had been introduced by the Jansenists; Mandeville had drawn an unintended consequence from these premises, namely that vice is useful; Smith mounted a complex rebuttal of Mandeville's argument, but many readers interpreted it as a paraphrase of Alexander Pope's verse «whatever is, is right»[13]. If one leaves Mandeville out of the picture – as Brown does – the context, and hence the meaning of what Smith was saying, goes lost.

3. *Das Adam Smith Problem*: Dickey's diachronic perspective

Dickey formulated the third version of *das Adam Smith Problem*. He argues that there is a hidden tension in Smith's system of ideas between his views in 1759, 1776, and 1790. Smith's views on

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[11] See V. BROWN, *Adam Smith's Discourse*, Routledge, London, 1994, p. 220.

[12] See G. VIVENZA, Ancora sullo stoicismo di Adam Smith, *Studi storici Luigi Simeoni*, 49, 1999, pp. 97-126; EAD., *Adam Smith and the Classics*, Oxford University Press, Oxford, 2001, pp. 191-194; A. BROADIE, Francis Hutcheson, Adam Smith y el Estoicismo de la Ilustración escocesa, *Anuario Filosófico*, 42, 2009, pp. 17-34; see also E. ROTHSCHILD, *op. cit*., pp. 131-134.

[13] See J. VINER, *Religious Thought and Economic Society*, Duke University Press, Duhram (NC), 1978, ch. 3; E. LLUCH, Jansenismo y *Polizeiwissenschaft* en Adam Smith, *Revista de Economia Aplicada*, 6, 1998, pp. 157-67; M.L. PESANTE, An Impartial Actor: the Private and the Public Sphere in Adam Smith's 'Theory of Moral Sentiments', in D. CASTIGLIONE & L. SHARPE, *Shifting the Boundaries. Transformation of the Languages of Public and Private in the Eigtheenth Century*, Exeter, University of Exeter Press, 1996, pp. 172-191.

the natural goodness of moral sentiments and human nature evolve, leaving more room for tendencies that make for the "corruption" of our moral sentiments and eventually for pessimism[14]. Dickey's central claims are: first, Macfie's and Raphael's "containment view" that tries to encapsulate *The Wealth of Nations* into *The Theory of Moral Sentiments* is implausible, since the latter is not a presentation of Smith's views on human nature as such[15]; second, there is a tension between the views held by Smith at different times, and the issue around which Smith's change of mind emerges most markedly is that of "prudence", with decreasing optimism about the prudent man's deeds as well as about the effects of spontaneous socialisation mechanisms[16]; the remark is so that Dickey's systematic analysis of differences between 1759 and 1790 editions of *The Theory of Moral Sentiments* gives flesh and bones to suggestions of Smith's evolution from optimism to pessimism that others had already advanced[17].

Dickey gives more rhetorical impact to his proposal by naming it a revival of *das Adam Smith Problem*. We may suspect what he says would not lose relevance if we left the problem at its burial place. Dickey does not vindicate the view of a conflict between a benevolent and a selfish system in Smith; he highlights a part of the tensions immanent in Smith's system. A viable suggestion is that a step-by-step discovery of the roots of such tensions may have caused, firstly, rather than a parable from optimism to pessimism, increasing awareness of interactions between private and public virtues, secondly, an awareness of conundrums that made Smith's political theory impossible to write, and the final page of *History of Astronomy* an enigma.

4. *Two Smithian tensions*

The inherent tensions in Smith's system are in epistemology between objective principles in the world and imaginary or hypothetical principles in the mind, in metaethics between Reason, or the world-order seen with the eye of the Universe, and Nature, or the "second best" order of our moral sentiments, and in normative ethics between *perfect wisdom* and *active duties*.

In disagreement with Dickey, we might conjecture that Smith's evolution is more a gradual discovery of those tensions than a reaction vis-à-vis ongoing social processes. In agreement with him, we could suggest that the time factor does matter. Still, Smith's work is «fragmentary rather than consciously unsystematic»[18], with essential parts left in the state of unpublished notes because of unsettled theoretical dilemmas[19]. In disagreement with Brown, we may think that the double standard of virtue is essential for Smith's normative ethics but compatible with its unitary character.

To support these claims, let us first describe the sources of tensions in epistemology. Smith's interpretation of the Newtonian method depends primarily on Maclaurin and his explorations into the underlying epistemological issues built on Hume, Condillac and d'Alembert. He is a post-sceptic. That is, he tries to argue from the sceptic's objections, accepted for the sake of

[14] L. DICKEY, *op. cit.*, pp. 608-609.
[15] *Ibid*., p. 585.
[16] *Ibid*., pp. 598-606.
[17] See H. MIZUTA, Moral Philosophy and Civil Society, in A.S. SKINNER & TH. WILSON (eds.), *Essays on Adam Smith*, Clarendon Press, Oxford, 1975, pp. 114-131; D. FORBES, Sceptical Whiggism, Commerce and Liberty, *ibid*., pp. 179-201, particularly pp. 181-92; S. CREMASCHI, Adam Smith: Skeptical Newtonianism, Disenchanted Republicanism, and the Birth of Social Science, in M. DASCAL & O. GRUENGARD (eds.), *Knowledge and Politics. Case Studies in the Relationship between Epistemology and Political Philosophy*, Westview Press, Boulder (Co), 1989, pp. 83-110, particularly pp. 104 ff.
[18] D. FORBES, Natural Law and the Scottish Enlightenment, p. 187.
[19] S. CREMASCHI, Adam Smith: Skeptical Newtonianism, pp. 85-87.

argument, to acknowledge "transcendental" constraints to theory choice and accordingly to a defeat of the sceptic's *practical* conclusions – leaving theoretical doubts as they were. His key asset is a kind of proto-pragmatism, according to which we first *do* things, at least in the limited area of our experience where we can build machines, and we *account for* what we have been able to do in this restricted area of our experience or organise phenomena outside this area in analogy with more familiar phenomena.

Deception is a fundamental mechanism that plays a crucial role in accounting for the genesis and evolution of scientific theories and social life. The circumstance that the «Philosophical history of the arts and sciences» was never completed and that even the *History of Astronomy* lacks final conclusions may be no mere biographical detail but may instead reflect an unresolved dilemma.

As a by-product of Smith's strategy vis-à-vis the sceptical challenge, his epistemology has a marked "Kantian" flavour, given by its constructivism or the "active" role it assigns the mind vis-à-vis phenomena. However, while the transcendental in Kant is a rational structure providing the framework for our construction of the world order, Smith's so-to-say "transcendental" element in our knowledge consists of *imagination* and *deception* and, on the one hand, poses constraints on the available world order, on the other, is far from mirroring a *real* world order. Under the opposing pull of diverging claims, either constructivism or deception, Smith seems to end with a stalemate, betrayed by his admission that *The History of Astronomy* possessed perhaps «more refinement than solidity»[20].

After tensions in epistemology, let me describe tensions within Smith's moral philosophy. His effort at reformulating the "practical science" is an attempt at applying the Newtonian method to moral subjects; against received wisdom on the Cambridge Platonists, Shaftesbury, and Hutcheson as predecessors of Smith, let us assume, following Forbes, that his real pedigree included: (i) Grotius, Pufendorf, Carmichael, Hutcheson, (ii) Maclaurin, Turnbull, Hume; (iii) Montesquieu, Rousseau, and (as a polemical target) Mandeville[21]. The evolutionary four-stages approach and the discovery of trans-individual mechanisms are two means of turning the natural law approach more empirical. Ironically, such an empiricisation has nothing to do with a more secular approach but is made easier instead by dependence on one tradition of natural-law thinking, namely theological voluntarism, carrying the idea of a *lex imposita*[22].

This attempt at finding an experimental approach to natural law yielded a new view, based on two different kinds of normative order: one ultimate order of Reason, justifiable but inaccessible and one weaker order of Nature, empirically accessible but also variable and "corruptible". Smith is increasingly disillusioned about Nature's ability to provide a copy, no matter how faint, of the order of Reason and tends to admit it tends to mirror instead "vanity*"* and "corruption".

Accordingly, there was an evolution in Smith's worldview. Dickey is nearly right in contending that it was basically from more "optimism to more "pessimism". However, it was determined more by the gradual unfolding of latent tensions in his system of ideas that made room for the unavoidable corruption of moral sentiments than by the perception of corrupting tendencies at work in an increasingly commercialised Scottish or British society.

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[20] A. SMITH, to David Hume, 16 Apr. 1773, in *Correspondence*, ed. by E.C. Mossner & I.S. Ross, Clarendon Press, Oxford, 1977, p. 168; for comments see S. CREMASCHI, *Il sistema della ricchezza*, pp. 34-72; *Newtonian Physics, Experimental Moral Philosophy, and the Shaping of Political Economy*, in R. Arena; Sh. Dow & M. Klaes (eds.), *Open economics*, Routledge, Oxford, 2009, pp. 73-94, pp. 86-87.

[21] See D. FORBES, Natural Law and the Scottish Enlightenment; S. CREMASCHI, *Adam Smith: Skeptical Newtonianism*, pp. 73-84.

[22] S. CREMASCHI, Two Views of Natural Law, pp. 186-187.

This tension in Smith's system of ideas accounts for the final wreck of his natural jurisprudence, his reluctant admission of the fact that the order of natural sentiments makes room for irregularities and partiality and an increasingly marked pessimism. The conjecture is not out of place that the inability to solve the Reason-Nature dilemma is the main reason for his inability to complete, besides the philosophical history of arts and sciences, the history and theory of law and government. Besides, his contribution to the birth of a comparatively self-contained new discipline, called by his followers political economy[23], was the unintended result of Smith's inability to work out the context in which this new discipline should fit, namely the science of natural jurisprudence.

Let me finally describe the tension concerning natural theology. Besides Smith's inability to work out his two projected works, another remarkable fact is that, besides the fact that Smith was careful in avoiding publishing anything on religion, of his lecture courses only that on natural religion has left no written record. The existing degree of freedom of thought did not make publishing on religious matters advisable. Smith was so aware of the circumstance that he avoided having to discharge the task of a literary executor for David Hume's *Dialogues on Natural Religion*. However, Smith's system of ideas is more empirical but also less secular than conventional wisdom used to assume[24], and his natural theology is the keystone in this building since the "Stoic" view of the world order provides both the eventual standard for moral judgement and the blueprint for our imagination's attempt to bring unity and consistency into the disjoined phenomena of everyday experience. Besides, the modifications Smith introduced in the second, third, and sixth editions of *The Theory of Moral Sentiments* suggest – among other things – that he was trying to settle the conundrum deriving from the gap between our variable sentiments and the judgements of an impartial and benevolent being, and that he was trying to do so through a backward path from morality to natural theology[25].

In a spirit not unlike Kant, Smith believes that speculations in natural theology may be advanced only in an *ex-post* way. It is true that, on the one hand, they cannot function as a starting point for any deductive argument. On the other hand, they provide some indispensable regulative ideas, the blueprint of a hidden order behind the apparent disorder of social phenomena. The view of an ordered world with an Architect who designed this order is admissible, albeit a construction of the imagination instead of the discovery of a noumenal order. Nonetheless, such a view is made powerless by the "veil-of-distraction thesis", according to which, only when we are in a «splenetic» mood, like philosophers and sick men, we tend to "see" the deeper world order. In our everyday mood, like active and healthy people, we tend to concentrate on what is near to us, with increasingly decreasing attention to what goes beyond the object of our immediate concern[26]. Since we are distracted by such concern from contemplation of the court of divine justice, our moral sentiments are *less impartial* than they would be if left to themselves, but also *more motivating* than they would be in a state of "apathy", the Stoic virtue whose price is the

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[23] V. BROWN, *op. cit*., accurately reconstructs Smith's use of the phrase "political economy*"* showing how for him it was *not* the name of a discipline; E. ROTHSCHILD, *op. cit*., pp. 55-61, brilliantly illustrates how the "invention*"* of the discipline belonged to an attempt at separating politics from a science or technique of commerce going with separation of (commercial) "freedom*"* from (political) liberty that was staged in the Nineties as an expedient against prosecution of alleged friends of the French Revolution.

[24] D. FORBES, *op. cit.*

[25] See J. MATHIOT, *Adam Smith. Philosophie et économie*, PUF, Paris 1990, pp. 50 ff.

[26] See A. SMITH, *The Theory of Moral Sentiments* [*TMS*], ed. by A.L. Macfie & D.D. Raphael, Clarendon Press, Oxford [1759] 1976, VII.ii.i.18; VI.ii.I ; for comments, see G. VIVENZA, *Adam Smith and the Classics*, pp. 74-83

inability to act or to carry out «active duties»[27].

The tensions in Smith's system that made room for old and recent misrepresentations are tensions in a unitary albeit rhapsodically carried out system. Its main unanswered question is the origin of evil. Its main tension is between the postulate of a hidden "noumenal" order (where "is" and "ought" converge) and several partial orders "detected" in society. Human society has some kind of order at the level of "system integration": human beings often produce ends by their action that never were their intention to produce. We can detect a different kind of order at the "social integration" level: a principle in human nature that makes humans interested in their neighbours' lot. There is no overarching order to discover, yet what people "are led" to do by the invisible hand is not always beneficial, not to say good or just, and what sympathy approves of is seldom what market mechanisms bring about. So, in the world, there are fragments of order here and there, leaving vast room for disorder, misery, and injustice. No teleology, providence, or natural law rules the world as it is, and *whatever is* is seldom *right*[28].

This dismal view may help in accounting for circumstances that are not merely biographical details. The first is Smith's inability to fulfil his promise of a "philosophical history of the arts and sciences" and a "history and theory of law and government". It was not out of laziness that he failed to carry out his two self-appointed tasks. It was because he felt unable to solve decisive conundrums in both fields. *The History of Astronomy*, the only essay he left in a state not too far from publication, ends at a page where the author discloses his doubts about the Newtonian system's truth[29]. The same holds for the theory of government. Smith may have felt that the justification for the system of natural liberty, or the three public virtues of liberty, justice, and equality, was hard to establish since these virtues were recommended just by our unstable and corruptible moral sentiments[30].

We may adopt – and indeed carry further – Dickey's strategy to compare Smith's claims of 1759 with those of 1761, 1776, and 1790 to reconstruct the evolution of his views in matters of religion and morality. In the second edition of *The Theory of Moral Sentiments* of 1761, Smith introduced several changes to pave objections to his ethical theory. In fact, in his first edition, in the attempt to find a third way between Clarke's, Wollaston's, and Shaftesbury's objectivism and the «licentious» systems of Hobbes and Mandeville, he had tried to map out a narrow path between scepticism and objectivism. This third way was *anti-rationalistic* in moral psychology, based on our "natural*"* moral sentiments. It was *non-objectivistic* in metaethics, based on individual judgements as a datum. It was, at least on principle, *non-relativistic* in normative

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[27] A. SMITH, *TMS*, VI.ii.iii.6 ; cf. *TMS*, III.ii.31-32. This passage appears in the second edition and was withdrawn in the third. It presents the veil-of-ignorance thesis according to which it is necessary that the tribunal of divine justice be hidden from our sight unless we are left unable to care for everyday concerns and accordingly comply with our active duties. This is a slight modification of the familiar *topos* of the *Deus absconditus* that Smith may have met in the French Jansenists and Anglican or Presbyterian divines. It was recalled – with similar, albeit not identical, implications – in G.W. LEIBNIZ, *Meditation sur la notion de justice* (1702), in *Le droit de la raison*, ed. by R. SÈVE, Vrin, Paris, 1994, pp. 107-120, and after that in I. KANT, *Kritik der praktischen Vernunft*, 1788, in *Kant's gesammelte Schriften* (AkademieAusgabe), de Gruyter - Meiner, Berlin, 1902-, vol. V, p. 266.

[28] On Smith's natural-order doctrine as an attempt to deal with the issue of the origins of evil, see J. VINER, *The Role of Providence in the Social Order*, Princeton University Press, Princeton, NJ, 1972. On the reasons why almost everybody's (including Viner's) interpretation of Smith's natural-order doctrine overemphasizes his providentialism, see D. FORBES, *op. cit.*; see also S. CREMASCHI, Adam Smith: Skeptical Newtonianism, pp. 102-105; Two Views of Natural Law, pp. 188-190.

[29] A. SMITH, *History of Astronomy* [*HA*], in *Essays on Philosophical Subjects*, ed. by W.P.D. Wightman; J.C. Bryce, & I.S. Ross, Clarendon, Oxford, 1980, pp. 31-105, IV.76.

[30] See S. CREMASCHI, Adam Smith: Skeptical Newtonianism, pp. 98-102.

ethics as it tried to derive *one* standard of judgement, namely the propriety in the degree of sympathetic identification with the other's situation, from various reactions by spectators. The trouble is that Smith's original project, far from confining itself to the sociology of morality, was meant to justify one normative ethic without resorting to either convention or intuition.

The crucial task was accordingly clarifying how everyone's spontaneous desire for approval by real-world spectators implies a desire to deserve approval from the "impartial spectator". However, the task would be left open-ended because the impartial spectator is nothing more than a token for an ideal impartial spectator. Even the impartial spectator is influenced by public opinion, custom and the innate tendencies of the imagination[31]. Such imperfection is another reason we need religious belief. The righteous man looks for solace in the idea of a divine tribunal that would redress wrongs made by human judges and the really existing impartial spectator. It is not by chance that additions to the second edition verge mainly on natural theology since they have to do with the mentioned tension between a need for an impartial judge and the impartial spectator's limits, or the question of Leibnizian "metaphysical" evil, that is, why is man limited? A plausible reason for his withdrawal of a few additions in the third edition may have been dissatisfaction with his answers and a desire to find a way of bridging the gap between the judgement of an impartial spectator who would care for the whole and judgements of real-world spectators who *do* care for the destiny of given individuals at given times and places[32]. Like Kant, he seems to end up diagnosing a radical evil revealed by our need to postulate a heavenly judge who might redress judgements passed by human judges, including the real impartial spectator[33].

According to Dickey, additions to the 1790 sixth edition face us with an author who stresses the role of religious belief, has a more dismal view of human nature, and is slightly more sympathetic to Stoicism. Such an evolution would follow a path opposite to what the proponent of *das Smith Problem* hypothesised. As a partial correction to Dickey (not to mention again the proponents of Smith's Stoicism), we may note first that the Stoic view is for Smith just a "regulative ideal", not a view he endorses. Besides, we may add that the kind of pessimism Dickey discovered in 1790 additions was already present in previous writings. Though not the disenchanted view of 1790, he had already displayed a clear awareness of the oppressive inequality established in modern European societies and all the folly and injustice of men testified by aggressive military and commercial policies followed from the beginning of modern colonial enterprises[34].

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[31] The peculiarity of Smith's approach to standards for moral judgements is stressed in M.L. PESANTE, *op. cit*., pp. 182-184 and J. MATHIOT, *op. cit*., pp. 25-31.

[32] Not Smith's alleged conversion to atheism, or his taking advantage of greater freedom of expression after retirement to disclose his true beliefs. See E. LECALDANO, Introduzione, in A. SMITH, *Teoria dei sentimenti morali*, RCS Libri, Milano, 1995, pp. 5-58, who argues that it was greater freedom of speech enjoyed after retirement that accounts for allegedly systematic withdrawal of theological passages in the 3d edition (p. 42); this also the thesis endorsed by S. RASHID, *op. cit*., p. 219, and, with a few more nuances, by E. ROTHSCHILD, *op. cit*., pp. 129-130; P. MINOWITZ, *Profits, Priests, and Princes. Adam Smith's Emancipation of Economics from Politics and Religion*, Stanford University Press, Stanford (CA), 1993, in a similar vein, defends the received view of evolution from religion to atheism trying to refute Dickey's argument (pp. 189-190) taking as proofs either Smith's "silences*"* or passages read in a "rhetorical*"* key.

[33] A. SMITH, *TMS*, III.2.33; P. MINOWITZ, *op. cit*., p. 201, is right to note such an «almost tragic» perspective on religion, but then he goes on to muse that this is «in contrast to Enlightenment philosophy generally and The Wealth of Nations in particular». The comment is in order here that, according to the interpretation proposed in this paper, the Enlightenment view of life was tragic enough, and *WN* itself was far from optimistic.

[34] See S. CREMASCHI, *Il sistema della ricchezza*, pp. 122-123.

As already announced, it is reasonable to conjecture that, from the beginning, there was a tension between two opposing points of view: Reason and Nature. This tension is also the reason for unresolved conundrums in political theory, where Smith could not find a third way between a fixed and unchanging natural law and surrender to the vagaries of positive laws and institutions. This is why he introduced changes through subsequent editions of his moral work; indeed, the tension is also felt in *The Wealth of Nations.* From such tensions, more than from any diagnosis of social processes in the real world, the "tragic" character of Smith's thinking originates.

5. Theodicy and the impossibility of metaphysics in eighteenth-century philosophy

What lies behind additions and deletions through six editions of *The Theory of Moral Sentiments* is the question of Theodicy, an issue that is the eighteenth-century obsession, to the point that «every learned Englishman, and still more every learned Scotsman, it would seem, at some stage of his career felt impelled to publish his views on "The Origin of Evil"»[35]. Let me briefly remind the origins of this problem. In the last centuries of the ancient age, Gnostic currents preached the coexistence of a good and an evil principle identified respectively with Matter and Spirit. They promised salvation as the liberation of the Spirit from Matter. Augustine's reaction started with the neo-Platonic idea that evil, consisting of a lack of the Good, does not exist[36]. At the beginning of the modern age, the Reformation fathers were hyper-Augustinians who tried to depreciate Nature (as opposed to Grace) and accordingly tended to deny the existence of any kind of natural law[37]. Since salvation depended on grace instead of deeds, evil became once more the main problem. Pierre Bayle noted «all those discussions that take place nowadays on predestination, where Christians move against each other the charge either of making God the author of sin or of withdrawing from him the supervision over the world»[38]. He declared that since «men are wicked and unhappy»[39], we face an alternative between declaring God all-mighty but wicked and benevolent but powerless. If humankind is a creature of the unique good principle, why was he created unhappy and wicked? Eighteenth-century philosophers looked for ways out of Bayle's deadlock. They tried to settle the question of evil by such arguments as that eventually, the total amount of evil is lesser than that of goods, or that in the Universe as a whole (including non-rational sentient beings), pleasure is greater than suffering, or that evil does not exist. Leibniz made a synthesis of different solutions, arguing that the issue consists of three different questions: «metaphysical evil consists in mere imperfection, physical evil in suffering, moral evil in sin»[40], and that the first kind does not carry serious difficulties, since creatures are limited on principle, and cannot aspire to perfection, that the second depends on man's responsibility, being, at least to some extent, a consequence of moral evil, and that what is left results from the will of God who uses it as a means for bringing about greater good, not unlike «shadows that make colours stand out»[41].

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[35] J. VINER, *The Role of Providence in the Social Order*, p. 58.

[36] See AURELIUS AUGUSTINUS, *De natura boni* 4.8-9 and 41-42.

[37] This is indeed a simplification as far as John Calvin is concerned, but his quasi-natural-law doctrine was soon forgotten by Calvinists and was absent from subsequent theological debate. See S. CREMASCHI, *L'etica moderna. Dalla Riforma a Nietzsche*, Carocci, Rome, 2007, pp.17-18.

[38] P. BAYLE, *Dictionnaire Historique et Critique* [1694-1696], Slatkine reprints, Genève, 1975, entry: "Pauliciens*'*, vol. III, pp. 624-636, quote at pp. 628-629.

[39] P. BAYLE, *op. cit*., entry: "Manichéens*'*, vol. III, pp. 302-307, quote at p. 305.

[40] G.W. LEIBNIZ, *Essais de Théodicée*, ed. by J. Brunschwig, Flammarion, Paris, 1969, § 21.

[41] *Ibid*., § 12.

Such arguments were familiar to Adam Smith through liberal Anglican divines such as Samuel Clarke and other Cambridge Platonists who were the Boyle Lectures' authors. They were the proponents of the *Argument from Design* that, starting with order observed in the world, proves that an Architect designed the world, thus God's existence, wisdom, power, goodness, and justice[42]. Shaftesbury and Bolingbroke went one step further, vindicating «true theism» against «artificial theology»[43], and their follower Alexander Pope, in the didactic poem *Essay on Man* prompted us to surrender to God's wisdom acknowledging that what seems to be evil to the individual is necessary to bring about universal good, and ends up with the famous verse: «Whatever is, is Right»[44]. It is worth adding that such "optimism"[45] is *metaphysical* optimism, not the claim that human life is happy, but only that a mix of good and evil is unavoidable in our lives – given our location in the "great chain of being".

Voltaire's renowned satire against "optimism" starts with the idea that Theodicy fails to answer the question of evil and does not face the real issue, which is not why man is limited but instead why he is unhappy and wicked[46]. Eighteenth-century thinkers were obsessed with the topic of happiness, and the conclusions of *Candide* mirror widespread disenchantment about its genuine possibility. Voltaire's conclusions are close to Smith's considerations in *The Theory of Moral Sentiments* on the delusory character of what we call *happiness* as contrasted with the availability of *contentment* in almost any permanent situation, irrespective of wealth and power[47].

6. Theodicy and the impossibility of "metaphysics" in Adam Smith's work

Smith's answer to the question of evil arises from his idea of happiness and his theory of knowledge. The former depends on the claim of the ubiquitousness of deception, and the latter turns around the claim that human knowledge is unavoidably limited. Theodicy in the eighteenth century is one facet of a broader problem: the "impossibility of metaphysics", a concern shared by Bayle, Voltaire, Kant, and Priestley. In Smith's work, this unsolved problem dictates an essential tension between the *visible* and the *invisible*, two unrelated and conflictive levels of experience, which may account for his inability to complete his epistemological theory[48]. The same issue emerges in connection with the role of deception[49]. The starting point is the psychological claim of equal value of all permanent states according to which «the beggar who suns himself by the side of the highway possesses the security which kings are fighting for»[50]. On the other hand, Smith admits that it is unavoidable that the pleasures carried by wealth and power strike our imagination as «something grand and beautiful and noble»[51] and that human beings strive for wealth, power, and honours, being the prey of that deception that makes us

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[42] See S. CLARKE, *A Demonstration of the Being and Attributes of God*, Fromann, Stuttgart, 1964.

[43] See A. COOPER EARL OF SHAFTESBURY, *Characteristics of Men, Manners, Opinions, Times* (1709), ed. Ph. Agres, Clarendon, Oxford, 1999, V.3; H. ST. JOHN LORD BOLINGBROKE, *Fragments or Minutes of Essays* (1734), in *Works*, ed. D. Mallet, Olms, Hildesheim, 1968, vol. V, essay XL.

[44] A. POPE, *Essay on Man*, Scolar Press, Menston, 1969, I.269

[45] The word *optimisme* first appeared in 1737 in an article in the Jesuit *Journal de Trevoux* as a label for the Leibnizian solution to the problem of evil.

[46] VOLTAIRE, *Dictionnaire philosophique* (1764), 2 vols., ed. A. Brown *et al*., The Voltaire Foundation, Oxford, 1994, entry: "Bien, tout est bien*'*.

[47] See F. BRUNI, La nozione di lavoro in Adam Smith, *Rivista di Filosofia Neoscolastica*, 79, 1987, pp. 67-95.

[48] See S. CREMASCHI, *Adam Smith: Sceptical Newtonianism*, pp. 102-105.

[49] See A. SMITH, *TMS*, IV.i.9.

[50] A. SMITH, *TMS*, IV.9.

[51] *Ibid*.

overestimate differences between permanent states. He adds that such a deception is good for humankind if not for the individual, in so far as it forces unaware individuals to contribute to the civilisation process, «to cultivate the ground, to build houses, to found cities and commonwealths, and to invent and improve all the sciences and arts, which ennoble and embellish human life»[52].

Within the broader problem of evil, Leibniz distinguished between three different questions. The first is that of "physical*"* evil, that is, suffering. Smith here repeats the most famous eighteenth-century answer, to be found in Cumberland, Leibniz, Bolingbroke, Pope, and later by Paley, that is, the idea that partial evil is necessary as a means to universal good. However, this seems to be just a provisional answer, not unlike a Hegelian "thesis", to be overcome by an antithesis. He writes that a belief in God's existence is necessary for a man inspired by justice and benevolence. Such a man needs to believe that God exists and his «benevolence and wisdom have, from all eternity, contrived and conducted the immense machine of the universe, at all times to produce *the greatest possible quantity of happiness*»[53], and accordingly that «this benevolent and all-wise being can admit into the system of government no *partial evil* which is not necessary for the *universal good*»[54]. These phrases may sound like an expression of either utilitarianism or theological optimism like the one professed by Alexander Pope. What should be kept in mind instead is that Smith here refers to a belief that is unavoidable for a benevolent man, for whom the price to be paid for lack of such a belief would be unhappiness arising from the contemplation of «a fatherless world», or a world where suffering prevails with no apparent reason. Thus, the *partial evil, universal good* thesis is not a claim Smith endorses.

On the contrary, he asserts once more the limited character of our knowledge, in this case, *moral* knowledge. He claims that we cannot know how much evil and good there is in the world. Besides, this claim goes with acknowledgement of an essential tension between contemplation and practice, and with the assertion that practice comes first, or that contemplation of God's wisdom displayed in the Universe may appear noble to our imagination, but it will never excuse «neglect of the smallest active duty»[55].

Smith's last word on theological issues is – as far as he confines himself to theoretical claims – the limits-to-knowledge thesis. This thesis is far from atheism, being instead similar to what we may assume to be *prima facie* the conclusions of Hume's *Dialogues* and Kant's *Critique of Pure Reason*, namely that there is no final proof for the existence of God, but also none for his non-existence. When he shifts to beliefs justified by our imagination's needs given our moral sentiments, then the beliefs he admits may be endorsed *in a justified way* by a *virtuous* individual are different. One could concede that Smith's arguments for religious belief prove more its *usefulness* than its *truth*[56]. However, such "usefulness*"* responds to our natural sentiments. It is a part of the unavoidable deception within which human life takes place. «Pure and rational religion» is an unavoidable part of humankind's lot, or better, a necessary element of human life *once virtue is given*. In other words, Smith makes room for religious sentiments, not only for moral ones[57], and, not unlike most eighteenth-century philosophers, welcomes

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[52] *Ibid*.; on the delusory character of happiness see F. BRUNI, *op. cit*., particularly pp.76-79.

[53] A. SMITH, *TMS*, VI.II.iii.6.

[54] A. SMITH, *TMS*, VI.II.iii.3.

[55] *Ibid*.

[56] As P. MINOWITZ notes rather triumphantly (*op. cit*., pp. 205-206) without realizing that, by the limits-to-knowledge thesis, Smith had ruled out the possibility of *any other kind* of argument on theological issues.

[57] See E. LECALDANO, *op. cit*., pp. 6-12.

pure and rational religion, free from every mixture of absurdity, imposture, or fanaticism, such as wise men have in all ages of the world wished to establish[58].

We may note that this is more than what Hume concedes, and not much less than what Kant contends. Not unlike Kant, morality comes first, and religion is justified *ex-post* on a moral ground but, unlike Kant, such a justification does not rest on a rational basis, but just on a "psychological*"* one, in so far as it depends on a need of our imagination, added to the original moral premise founded in turn on sympathy and thus on imagination. However, religious belief is not only compatible with morality; it is also "necessary*"* unless we are to pay the price of despair.

In connection with the issue of moral evil, that is, not suffering but sin, Smith quotes the Stoics but – it is worth remarking, facing recent enthusiasm for Smith's alleged Stoicism – as the proponents of a silly idea. We may note that the claim that the vices and follies of human beings produced effects different from those intended by human beings themselves was also Montesquieu's claim, but that claim was not the assertion of the existence of a general system in the world where «whatever is, is right». Smith writes that

The ancient stoics were of opinion that as the world was governed by the all-ruling providence of a wise, powerful, and good God, very single event ought to be regarded, as making a necessary part of the plan of the general order and happiness of the whole: that the *vices and follies* of mankind, therefore, made as necessary a part of this plan as their wisdom or their virtue: and that by the eternal art which educes good from ill, were made to tend equally to the *prosperity and perfection* of the great system of nature[59].

Nevertheless – he adds – «no speculation of such a kind could weaken our natural abhorrence for vice, whose immediate effects are so destructive, and whose remote effects are too distant to be traced by the imagination»[60]. The remark is in order here that the thesis discussed may be correct (perhaps) at a contemplative and rational level; that to this, a different kind of consideration is opposed, that of spontaneous tendencies of our sentiments, that the impossibility to abandon such spontaneous tendencies depends on the limits of our imagination. In other words: it is because our imagination is comparatively short-sighted that moral distinctions hold; had we full knowledge of distant events, even the abhorrence for evil would disappear. Thus deception rules in the life of the mind. It is unavoidable and, on the one hand, makes room for moral distinctions, but on the other, such distinctions are forever devoid of an absolute objective ground.

The deadlock with which the foundation of morality ends forces Smith to face something close to the third kind of question that Leibniz had formulated in his *Theodicy*: why are human beings limited, or why is there "metaphysical" evil? Smith's phrasing is: why does it happen that the righteous man may fail to find the approval of actual spectators, since not only untutored sympathetic sentiments, but even the impartial spectator may be confused by passions, fashion, custom, and vanity? Furthermore, here Smith's answer offers religion as a complement to morality. He says that the righteous man may avail himself hope in the existence of a divine tribunal that will redress injustice committed by human courts[61]. Moreover, in a passage added in the second edition and withdrawn in the third, he adds another speculation: the "veil of

[58] A. SMITH, *WN*, V.i.g.8.
[59] A. SMITH, *TMS*, I.II.3.4.
[60] *Ibid*.; for comments see G. VIVENZA, *Adam Smith and the Classics*, pp. 75-76.
[61] A. SMITH, *TMS*, III.2.33 (cf. the longer version of §§ 31-32 in eds. 2-5).

ignorance*"* passage that already appeared in Leibniz (and will appear again in Kant). He writes that the great judge of the world has interposed «between the weak eye of human reason and the throne of his eternal justice, a degree of obscurity and darkness»[62] because, had «the infinite rewards and punishments» that he had prepared for us been constantly under our sight, we «could no longer attend to the little affairs of this world» and «the business of society» could not have been carried out. Thus, on the one hand, the "short view*"* is defective, and on the other, it is what makes life possible.

In the light of the Smithian theodicy, we may gain more insight into his politics. In the *Lectures on Jurisprudence* and *The Wealth of Nations,* he seems to be concerned with causes of social evils: oppressive inequality that prevails in civilised society, a tendency of public opinion to judge according to biased standards, which favour the rich and powerful, vanity that makes us prefer trinkets of frivolous utility to more real goods such as intellectual and moral abilities, lack of social control as a result of urbanisation, the labouring poor's mental mutilation carried by division of work[63]. Smith's trouble is that these evils seem to be unavoidable, at least to a certain extent, since each of them is one side of a process that also carries benefits. Thus social evils are a complex matter: they are the dark side in the balance of gains and losses of an evolving society. More in detail, we face a trade-off between civilisation and liberty on the one hand and republican virtues on the other. Smith would like to be a "republican". He is aware of limits carried by the growth of a civilised society to the practice of active citizenship. His remedy is the «system of natural liberty», a constitutional arrangement granting «perfect liberty, perfect justice, perfect equality»[64], three public virtues corresponding to three private virtues of «prudence, justice, benevolence». Natural liberty is a minimal and rather obvious arrangement of relationships between the state and citizens and between citizens. It grants as much freedom as is compatible with the basic needs of the state and with justice. Instead, the "man of system" believes that he could redress evils establishing society on a new basis. Individuals in society yet are not chess-pieces on a chessboard. They are endowed with an original principle of motion, preceding those imparted on them by the legislator[65]. The existence of such a principle has positive as well as negative implications. On the one hand, the discovery of such original principle of motion makes it clear that, to have a decent society, we need much less than the man of system attitude would suggest; on the other, such principle of motion consists of a rather raw staple, not of public spirit or love for virtue, but at best of enlightened self-interest, at worst of vanity, ambition, and folly. Thus, the system of natural liberty is the second-best solution or a proxy for public morality.

The harmony-of-interests thesis is a piece of die-hard Smithian mythology. Smith contends that it does happen that two different individuals' interests coincide through unintended results mechanisms. However, this may become possible in a somewhat predictable way only in a well-ordered society, within the framework of a system of rules of justice, a system of rules that do not need a tremendous amount of previous virtue. Once again, the spontaneous emergence of order brings a system of rules into existence. Besides, a quasi-transcendental argument legitimises it in the eyes of the members of society. The latter

> cannot subsist among those who are at all times ready to hurt and injure one another [...] If there is any society

[62] A. SMITH, *TMS*, III.2.31

[63] S. CREMASCHI, *Il sistema della ricchezza*, pp. 162-165.

[64] A. SMITH, *WN*, IV.ix.16-17.

[65] A. SMITH, *TMS*, VI.ii.2.17.

among robbers and murderers, they must at least, according to this trite observation, abstain from robbing and murdering one another[66].

In *The Wealth of Nations,* Smith contends not for a *theoretical* doctrine like a *HarmonienLehre* but a *practical* doctrine: non-intervention – making an exception for several cases – as a policy that would grant both respect for rights and liberty and growth of national wealth. The theoretical assumption of a possible and – under certain conditions – predictable coincidence of interests makes such a recommendation viable. However, it is worth repeating that this is not an immoralist Mandevillian doctrine, nor a doctrine implying minimal moral commitments, so-called "mercantile morality*"*. On the contrary, Smith believes that enlightened self-interest is not just useful for society but also virtuous. *The Theory of Moral Sentiments* declares that «every man is, no doubt, by nature, first and principally recommended to his own care»[67], and *The Wealth of Nations* adds, as a plausible claim, that, granted a specific context for social interaction, that is in a "civilised society", where an individual comes into relationships with hundreds of his fellows, we cannot expect that benevolence regulates intercourse between citizens[68]. The reason is that man cannot waste his time «upon every occasion» in behaving like a dog who tries to obtain food from his master by appealing to his benevolence; the fact is that in

civilised society he stands at all time in need of the cooperation and assistance of great multitudes [...] it is in vain for him to expect it from their benevolence only. He will be more likely to prevail if he can interest their self-love in his favour[69].

For Smith, as for Rousseau, private property derives from usurpation; in civilised societies, we face a high degree of «oppressive inequality». Master manufacturers are greedy people and are constantly conspiring to lower wages[70]. The erroneous doctrines of the mercantile system damage the consumer, inspire aggressive policies vis-à-vis other nations and justify oppressive colonial administration. Nonetheless, Smith defends Montesquieu's view that the pursuit of wealth is comparatively innocuous. The desire for wealth derives from a primary drive, the «desire of bettering our condition», which derives in turn from the belief that wealth grants other people's sympathy[71]. After all, this pursuit is an outlet for passions that would flow into more dangerous channels such as war and conquest[72]. Besides, it may also prove beneficial to society It may carry the unintended result of a redistribution of goods through purchase by the rich of the labour of the poor. It fosters national prosperity and makes the condition of the meanest labourer better than that of the king of savages[73].

How did it happen that, since about 1800, most commentators read a work aimed at criticising commercial society's moral failures as an apology for commercial society itself? This question is a good question. Vivienne Brown was correct in addressing it but went astray in her answer,

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[66] A. SMITH, *TMS*, II.ii.3.3.
[67] A. SMITH, *TMS*, II.ii.1.10.
[68] See S. CREMASCHI, *Il sistema della ricchezza*, p. 171 fn. 9.
[69] A. SMITH, *WN*, I.ii.2.
[70] A. SMITH, *WN*, I.viii.13.
[71] See A. SMITH, *TMS*, IV.1.7-8.
[72] See A. SMITH, *WN*, III.iv.
[73] See A. SMITH, *TMS*, IV.1.9; *WN*, I.1.11; IV.ii.4-9; Smith paraphrases J. LOCKE, *An Essay concerning the True Original, Extent, and End of Civil Government*, in *Two Treatises of Government*, ed. by P. Laslett, Cambridge University Press, Cambridge 1988 (3d ed.), pp. 265-428, § 41; for comments see A.O. HIRSCHMAN, *The Passions and the Interests*, Princeton University Press, Princeton, 1977, pp. 100-113.

leaving essential items out of the picture. Smith's self-appointed followers after 1800 misread a claim of an eventual *moral indifference* of economic behaviour, leaving it to the care of the virtue of "inferior prudence", which is nonetheless a virtue, as a more substantial claim for an *amoral* status of economic activities. Indeed, this misreading resulted from the complex controversy that yielded Smith's solution. Mandeville had mounted an argument based on sceptic and Jansenist premises to prove that vice is useful in a «great society». Smith mounted a multi-level rebuttal of this argument, but this rebuttal was complex enough to be misread by eighteenth-century neo-Tory readers as the optimistic claim that «whatever is, is right».

7. Prudence, justice, benevolence and the system of natural liberty as a second-best

Smith is a spontaneous-order theorist, but this leaves more problems open than it settles. He wanted to design an institutional framework based on respect of individual rights that may grant opulence without the Leviathan. This intention does not imply that he was a *Laissez-Faire* theorist since his spontaneous order presupposes institutional and cultural preconditions. On the one hand, unintended results mechanisms bring about quasi-teleological order (or system integration). Conversely, mutual adjustment of sympathetic reactions brings about shared virtues (or social integration)[74]. Both kinds of order are second bests: unintended results are trans-individual mechanisms that *may prove* helpful; they are not the starting point for proof of the existence of harmony or a kind of Design Argument applied to society instead of nature; prudence, justice, benevolence are the only ground on which we may base effective moral judgements but, given the corruptibility of our moral sentiments, they provide standards that are far from perfect. A Stoic viewpoint, or the viewpoint of Reason, would provide a firmer ground were it not powerless. Its ineffectiveness is that it shows the "utility" of everything from the point of view of the Universe and, accordingly, cannot provide a guide for action since it provides only reasons for *not* acting[75].

The argument in *The Wealth of Nations* tends to persuade the audience of the goodness of a policy based primarily on moral considerations: first, considerations of liberty and human dignity, second, of justice; and third, of humanity, benevolence, and civic virtue. The theoretical parts of Smith's argument are located within the framework of a discourse addressed to an audience of citizens: first, those based on a historical or conjectural-historical reconstruction of social evolution; second, those based on a reconstruction of social mechanisms producing unintended results. Both kinds of argument aim at persuading the audience that, under the "system of natural liberty", a state of affairs would result that, while falling short of perfection, nonetheless will be more desirable than those humankind has previously experienced[76].

8. Smith's optimism, Smith's Pessimism

Smith is, in the first phase, basically optimistic about the consequences of the «progress of opulence», in so far as he believes that commercial society promotes several morally desirable traits such as probity, industry, and frugality in the majority of the people, namely the «inferior

[74] See G. VAGGI, Adam Smith and the Economic Policy of Laissez-Faire, *History of Economic Ideas*, 4, 1996, pp. 107-148; H. KURZ, Adam Smith (1723-1790): Unparteischer Beobachter und Erfinder, *Wirtschaft und Gesellschaft*, 16, 1994, pp. 321-322.

[75] See S. CREMASCHI, *Adam Smith: Skeptical Newtonianism*, pp. 98-102.

[76] See S. CREMASCHI, *Il sistema della ricchezza*, ch. 3; S. PACK, *Capitalism as a Moral System*, Elgar, Cheltenham, 1991, ch. 9; D. MCNALLY, *Political Economy and the Rise of Capitalism. A Reinterpretation*, University of California Press, Berkeley, 1988, pp. 259-266; a similar point is also made by E. ROTHSCHILD, *op. cit*., p. 156.

and middling ranks» for whom the road to wealth tends to converge with the road to virtue[77]. These traits are different from those encouraged in feudal societies since, in different contexts, distinct passions tend to prevail[78]. Besides, natural "moral sentiments" yield beneficial effects peculiar to commercial society in so far as the mirroring mechanism and the sanctioning by public opinion strengthens the virtues of the «prudent man».

As Dickey is correct in suggesting, in 1776 and even more markedly in 1790, Smith became less and less enthusiastic about commercial society. According to the standard nineteenth-century view, his mixed feelings make sense only when considering his overall social theory, something more complex and comprehensive than Smithian economic theory. This social theory envisages society as a whole regulated by a twofold mechanism, making room, on the one hand, for results of the sum of individual behaviour and, on the other, for reflective processes. The former domain, one of causal relations, includes effects of the division of labour, the market, and unintended results mechanisms such as the "invisible hand". Based on an inborn capacity to mirror and reproduce other people's sentiments, the second domain is the domain of the virtues or sets of standards of behaviour that tend to be selected and enforced by spontaneous interactions of natural sentiments in different contests of action[79].

In the picture of commercial society that Smith draws, some dark sides emerge, such as an unjust distribution of wealth yielded by market mechanisms when left alone. Even more, unjust distribution yielded by manipulated market mechanisms, many undesirable influences carried by the development of the division of labour, namely «mental mutilation», lessening of martial spirit, lack of capacity of understanding the public interest caused to mechanical workers by the kind of impoverished tasks they are bound to carry out[80]. Dickey suggests that the dark side tended to expand in 1790. Besides the undesirable effects, the mirroring mechanism embedded in social life also has mixed effects: those described in 1759 as encouraging probity and prudence and the negative ones of encouraging «vanity»[81]. Dickey argues that Smith seems to need a new model to substitute the one of the «prudent man», namely that of the «wise man», who withdraws from the race for honours and wealth and does not consider the management of his own private business to be his prevailing vocation but is endowed instead with «public spirit»[82]. It may be well-advised to slightly downplay the difference between Smith's assessment of commercial society in 1759 and 1790 and conjecture that Smith's additions try to settle unresolved dilemmas in his social theory that had been there from the very beginning[83] and would suggest that these dilemmas turned around the question of the reasons for the existence of social evils.

Rashid argued that Smith, like his friend Hume, was a secular opponent of Christianity and his "social theodicy" centred on the invisible hand was later equivocated by William Paley's Anglican followers as a piece of natural theology. Rothschild has argued something similar without reference to Rashid[84]. First, we would object to both that Smith's "secularism*"* is one

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[77] See A. SMITH, *TMS*, I.iii.3.5; see also *WN*, II.iii.12.

[78] See A. SMITH, *WN*, II.ii.12; II intro 1-2.

[79] See S. CREMASCHI, *Il sistema della ricchezza*, pp. 73-114.

[80] See A. SMITH, *WN*, I.i.f; II.ii; for comments see D. WINCH, *Adam Smith's Politics*, Cambridge University Press, Cambridge 1978, ch. 5; S. CREMASCHI, *Il sistema della ricchezza*, pp. 118-126 and 155-165 ; S. FLEISCHACKER, *On Adam Smith's* Wealth of Nations: *a Philosophical Companion*, Princeton, Princeton University Press, 2005, ch. 10.

[81] See L. DICKEY, *op. cit.*, pp. 599-605.

[82] See A. SMITH, *TMS*, VI.ii.2.16; see also L. DICKEY, *op. cit.*, p. 598.

[83] L. PESANTE, *op. cit*., pp. 184-189 suggests an analogous reading of changes in the sixth edition.

[84] See S. RASHID, *op. cit.*, p. 219; E. ROTHSCHILD, *op. cit*., pp. 129-138.

more die-hard myth, resulting from a nineteenth-century misunderstanding but lacking textual evidence[85]. Secondly, we could add that the invisible hand is a physical-social metaphor carrying out the function of making the coexistence of efficient and final causes possible, and later interpretations in terms of theological doctrines should hardly mirror Smith's intentions[86]. Thirdly, we could admit that there is an essential difference between Smith and the nineteenth-century "Christian political economists" but would insist that Smith, more than a secularist, was a fellow-traveller of Kant and other "enlighteners". They did not accept theoretical arguments for God's existence and only accepted indirect arguments taking the fact of morality as their starting point. In more detail, Smith did not grant natural theology based on the Argument from Design a firmer status than an "invention of the imagination" and accordingly presented faith as a viable option, not a compelling one[87]. Let me add that whether Smith's personal beliefs adhered to such an option at different times in his life is a different question, probably with no final answer.

To sum up, Smith knew he had no theoretical answer to offer for the problem of Theodicy and had only quasi-universalist ethics centred on virtues and based on the effects of sympathetic reactions to offer as a second best. In other words, his answer to the paradox of evil was a *practical* answer to a *theoretical* question. Smith, like Voltaire, knew too well that Adam had to leave the Garden of Eden and that, though deception constantly prompts human action, the «original destination of men» was «to cultivate the ground»[88]. Not unlike Voltaire's Candide, his answer to ultimate questions may have been that both the ancient Stoics and the modern proponents of natural theology *disent bien*, or they may be correct, but we have to cultivate our garden.

[85] See S. PACK, Theological (and hence economic) implications of A. Smith's "The Principles which lead and direct Philosophical Enquiries', *History of Political Economy*, 27, 1995, pp. 289-307. A more recent attempt to argue such a view may be found in P. MINOWITZ, *Profits, Priests, and Princes*, chs.7 and 8, where he starts with a *rhetorical* reading of Smith's texts and then goes very soon off track by reading everything Smith wrote in terms of rhetorical *tricks*, arguing among other things from lack of mention of the Biblical God in *WN* to a tacit profession of atheism, and from missing discussion of theological themes (in a work dedicated to the progress of opulence) to disparagement of the *Catholic* Church, and *by implication* of Christianity as a whole (thus forgetting that Smith was writing in a Protestant country).

[86] See S. RASHID, *op. cit*., pp. 212-213; contra see S. CREMASCHI, Metaphors in The Wealth of Nations, in S. Boehm; Ch. Gierke & H. Kurz, R. Sturm (eds), *Is There Progress in Economics?*, Elgar, Cheltenham, 2002, pp. 89-114.

[87] This is made clear by E. ROTHSCHILD, *op. cit*., pp. 299-300 n. 79, who unfortunately spoils her own results by a *non sequitur*, the conclusion that, since Smith ends with a dilemma between faith without a warrant *or* endless gloom, his argument is *against* religious belief.

[88] See A. SMITH, *WN*, III.i.3; *TMS*, IV.i.9.