

Revisiting Adam Smith and the Politics of Commercial Societies

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Abstract

The following dissertation investigates the connection between the division of labour, political subjection and the psychology of authority in Adam Smith's body of work to further his analysis of 'commercial societies'. By shedding light on this connection, I endeavour to examine what Smith under-theorizes: how power relations are organized in 'commercial societies' to account for their historical specificity. Although this dissertation focuses on what remains under-theorized in Smith's account of 'commercial societies', it proceeds through an internal critique of his system of thought. In other words, I use what Smith says about 'commercial societies' as a springboard to say something new about them on his terms. In so doing, I aim to show that there are still unexplored avenues to Smith's conceptual framing of 'commercial societies' that provide relevant insights on how societies organize power in the age of manufacturing and the free-market.

Although recent scholarship is amenable to reading Smith as a multidisciplinary thinker, his reflections on the division of labour, political subjection and the psychology of authority are still treated separately within his political theory. Typically, Smith's account of the division of labour in *Wealth of Nations* is used to discuss his economic theory. It seldom connects to his politics and where it does, the discussion is usually limited to Smith's ideas on government expenditure as a mitigating force against the worst 'moral' and economic excesses of 'commercial societies'. This has fuelled the widespread and false impression that Smith's politics rarely go beyond the role of the State in economic affairs. For its part, Smith's principles of government in *Lectures on Jurisprudence* (from which his ideas on political subjection derive) are usually referenced to challenge this false impression by emphasizing his engagement with the latest political debates of his time. This separates Smith's politics from his economics even further by emphasizing their distinction and thus, discourages any exploration of how the negative social effects of the division of labour prepare political subjection in 'commercial societies'. The same can be said for Smith's psychological account of authority in *Theory of Moral Sentiments*: while it is sometimes broached alongside his principles of government, its relationship to the organization of labour in 'commercial societies' is never fully developed.

By bringing these themes together, I intend to engage in a more comprehensive discussion of Smith's politics to better account for the organization and distribution of power in 'commercial societies'.

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Introduction

0.1. *How I came to Read Adam Smith and the Social Disadvantages of the Division of Labour*

Before reading *The Wealth of Nations* (WN), I believed, as so many people do, in the myth of Adam Smith as the earliest champion of free-market capitalism. This is to say that I believed, without knowing why, that Adam Smith was exactly as the old Chicago School of Economics had portrayed him: as the “visionary” theorist who first thought to represent humans as primarily economic beings driven by the motives of self-interest and personal utility maximization. (Evensky: 2015; 197) At the same time, I was sold on the idea of WN as Smith’s love letter to capitalism. To assist me in my unchecked beliefs, I could always rely on a chorus of economists to quote the same well-known passages of this book in full support of the myth:

It is not from the benevolence of the butcher, the brewer, or the baker that we expect our dinner, but from their regard to their own self-interest. We address ourselves not to their humanity but to their self-love, and never talk to them of our own necessities, but of their advantages. (Smith: 1827; 6-7)

and

Every individual necessarily labours to render the annual revenue of the society as great as he can. He generally, indeed, neither intends to promote the public interest, nor knows how much he is promoting it [...] he intends only his own security; and by directing that industry in such a manner as its produce may be of the greatest value, he intends only his own gain, and he is in this, as in many other cases, led by an invisible hand to promote an end which was no part of his intention. [...] By pursuing his own interest he frequently promotes that of society more effectually than when he really intends to promote it. I have never known much good done by those who affected to trade for the public good. (Ibid; 184)

The matter appeared settled. The first passage established naked self-interest as the primary driver of human behaviour and thus provided the basis for applying rational choice theory to economics in order to predict how agents behave on the market. Meanwhile, the second passage confirmed what Frederick Hayek writes in *The Fatal Conceit: The Errors of Socialism* (1988): that Smith was the first to perceive how human beings had stumbled upon methods of

organizing economic cooperation which surpassed the limits of both their knowledge and perception; that, congruently, modern economies are led by unseen and unsurveyable patterns (such as the pricing mechanism in market exchange); that economic agents follow these patterns of which they are largely unaware and which produce results they do not necessarily intend; and finally, that the results produced by these patterns are not only positive on the whole but more importantly, generally work towards the “public good” (chap 1). Hayek uses the last point in particular to fuel a critique of socialism which I often encountered from those who portrayed Smith as a champion of free-market capitalism: insofar as the invisible patterns governing our economic behaviours generally produce beneficial outcomes without, in Smith’s words, “the effect of any human wisdom” (Smith: 1827; 6), they should be allowed to freely run their course. If we should tamper with these patterns in the hopes of improving on their outcomes, we are more likely to obstruct them than we are to improve the “public good”. The folly of socialism, so the argument goes, is precisely that it attempts to submit these patterns to human wisdom and therefore, worsens their outcomes despite its good intentions.

Although the passages did not explicitly mention rational choice theory or contain a critique of socialism, I uncritically accepted them as being representative of the core ideas within WN and by extension, of Smith’s larger body of work. In so doing, I collapsed Smith’s voice into Hayek’s and more generally, into those of economists who heard the earliest calls for a free market system within it¹. As such, I was satisfied with the assumption that economists like Hayek had read Smith accurately and concurrently, that if Smith were alive today, he would have reached the same conclusions as his modern economic interpreters.

For a long time, this assumption discouraged me from reading Adam Smith because it persuaded me that I would only find more of the same conclusions to which Hayek and the old Chicago School of Economics had already arrived. And then as now, I was not particularly interested in these conclusions because in my estimation, they could not satisfactorily account for the significant mismatch between free-market capitalism as it was theorized, and as it was actually lived. Without a sophisticated economic vocabulary to support my suspicions, I reached a similar conclusion to Joseph Stiglitz (2006) in his article on the contributions of economist John Kenneth Galbraith:

¹ To that effect, I would like to underline the contributions of George Stigler and Ronald Coase most especially: *Smith’s Travels on the Ship of State* (1971), *The Economist and the State* (1975), and *The Successes and Failures of Professor Smith* (1976) for the former; and *Adam Smith’s view of Man* (1976) and *The Wealth of Nations* (1977) for the latter. These contributions among many others do much to promote the view of Adam Smith as an early champion of capitalism by centering Smith’s reflections in WN on his belief that the economy should be controlled through the operations of the market and not the State.

What Galbraith understood, and what later researchers (including this author) have proved, is that Adam Smith's "invisible hand" – the notion that the individual pursuit of maximum profit guides capitalist markets to efficiency – is so invisible because, quite often, it's just not there. Unfettered markets often produce too much of some things, such as pollution, and too little of other things, such as basic research. [...] whenever information is imperfect – that is, always – markets are inefficient; hence the need for government action. (The Christian Science Monitor; December 28, 2006)

The need for government action aside, the notion of an invisible hand mysteriously working towards the “public good” seemed altogether unconvincing because although it ostensibly accounted for the steady rise in the output-rate of material wealth over time, it did not speak to the fact that this increase was at least partially predicated on the production of extremes concentrating at opposite poles of society: wealth, knowledge, and purity at one pole, and poverty, ignorance, and pollution at the other. These extremes are effectively what Stiglitz describes when stating that markets with imperfect information produce too much of some things and not enough of others. As they incrementally grow apart from one another, the extremes also distance themselves from the steadily increasing rate at which wealth is produced, which is typically used as an indicator of material progress. As such, it became more and more difficult to believe in the quasi-providential powers of the invisible hand because over time, patterns of growing wealth within the free market system tended to isolate themselves from simultaneous patterns of growing inequality. Traditionally, Hayek and company have responded to these concerns by reasserting the need to have faith in the unseen patterns of the free market system—i.e. by advocating to do nothing. Here as with the earlier critique of socialism, the argument is effectively the same: if we deliberately endeavour to repair the perceived negative consequences of these patterns, we will inevitably overcorrect them and thus, impede on their ability to naturally work towards the “public good”. The argument was altogether unconvincing because its solution to the concern of growing extremes was to disavow the concern altogether—and there is always something inherently suspicious to any argument offering a solution to something it then dismisses as a problem. I was uninterested in (and discouraged by) these arguments and mistakenly assumed that my lack of interest translated to the collected works of Adam Smith because those who made the arguments claimed Smith as the originator of their ideas. And so, I saw no special reason to read Smith when I already had a passing acquaintanceship with Hayek and the old Chicago School of Economics.

My false assumptions of Smith became a self-fulfilling prophecy: I accepted the myth of Adam Smith as the earliest champion of free-market capitalism because some more recent champions such as Hayek and members of the old Chicago School had claimed him as the originator of their core ideas. To verify or dispel that claim, I would have needed to read Smith for myself. And yet, I was not particularly interested in doing so because it seemed quite probable that I would find the same ideas in Smith as I did in Hayek and others. I therefore found it more advantageous to direct my intellectual energies elsewhere and remained satisfied in leaving the myth unchallenged.

When I finally read Adam Smith's *The Wealth of Nations* for the first time, I was quite surprised to observe how easily the myth came undone. There were many ways in which it did, but one caught my attention more than the rest: Smith supplemented his arguments on the productive advantages unlocked by the division of labour in the first book of WN with a poignant reflection on their corresponding social disadvantages in the last book. The contrast was rather startling. Passages such as these:

The greatest improvements in the productive powers of labour, and the greater part of their skill, dexterity, and judgement, with which it is anywhere directed, or applied, seem to have been the effects of the division of labour. (Smith: 1827; 2)

In every other art and manufacture [in reference to an earlier example on the division of labour in a pin manufactory], the effects of the division of labour are similar to what they are in this very trifling one, though, in many of them, the labour can neither be so much subdivided, nor reduced to so great a simplicity of operation. The division of labour, however, so far as it can be introduced, occasions in every art, a proportionable increase of the productive powers of labour. The separation of different trades and employments from one another, seems to have taken place in consequence of this advantage. (Ibid; 3)

eventually gave way to this:

In the progress of the division of labour, the employment of the far greater part of those who live by labour, that is, of the great body of people, comes to be confined to a very few simple operations; frequently one or two. But the understandings of the greater part of men are necessarily formed by their ordinary employments. The man whose whole life is spent performing a few

simple operations, of which the effects, too, are perhaps always the same, or very nearly the same, has no occasion to exert his understanding, or to exercise his invention, in finding out expedients for removing difficulties which never occur. He naturally loses, therefore, the habit of such exertion, and generally becomes as stupid and ignorant as it is possible for a human creature to become. The torpor of his mind renders him not only incapable of relishing or bearing part in any rational conversation, but of conceiving any generous, noble, or tender sentiment, and consequently of forming any just judgement concerning many even of the ordinary duties of private life. Of the great and extensive interests of his country he is altogether incapable of judging; and unless very particular pains have been taken to render him otherwise, he is equally incapable of defending his country in war [...] His dexterity at his own particular trade seems, in this manner, to be acquired at the expense of his intellectual, social, and martial virtues. But in every improved and civilized society, this is the state into which the labouring poor, that is, the greatest body of the people, must necessarily fall, unless government takes some pains to prevent it. (Smith: 1827; 327)

The contrast is especially astonishing given what Joseph Schumpeter correctly observed about Smith in his *History of Economic Analysis* (1954): “nobody either before or after A[dam] Smith, ever thought of putting such a burden upon the division of labour.” (187) The burden, as Schumpeter describes it, refers precisely to what Smith writes in the first of the above three passages: that the increase of productive capacities among nations are, according to him, primarily attributable to the development of the division of labour. And since Smith adamantly argues that wealth is measured by the productive output of a nation (Smith: 1827; IV.1), it means that he establishes the division of labour as the driving force of material progress. The “burden” is made all the more significant by the fact that Smith identifies the social disadvantages of the division of labour *after* he establishes it as the driving force of material progress. This means that Smith recognizes how material progress goes hand in hand with the production of extreme conditions concentrating at different poles of society. In the case of the third passage above, the extremes include wealth and poverty, but they primarily allude to the concentration of power and powerlessness. And by power, I specifically mean what Smith describes: developing the potential for generous, noble, or tender sentiments; using these sentiments alongside the capacity for rational conversation and judgement to fulfill both the ordinary duties of private life and those of one’s country; and having the ability to defend one’s country in times of war. In short, power refers not only to the intellectual, social, and martial virtues required for public life but also, to the capacity of translating these virtues to the political sphere through one’s sentiments, interests and better judgement. Powerlessness, by contrast, is the opposite; it is a lack of opportunity to develop virtue or a general

understanding of the world and therefore, it is also the condition of having nothing substantial to bring to public life. As Smith aptly remarks, the ‘labouring poor’ are periodically in danger of sinking to the condition of powerlessness unless government intervenes because their contributions to the material progress of society are limited to repeating the same few economic operations over and over again for most of their lives. The underside of this argument is that public life is always in danger of being accessible only to the wealthy, i.e. those with the means to remove themselves from the most harmful effects of the division of labour in order to cultivate the necessary virtues for political action. And of course, this represents a fundamental danger to public life because it would mean that politics has become inseparable from the sentiments, interests, and better judgement of one class above all others. It would mean, in other words, that public life is structurally unbalanced beyond a reasonable degree and therefore, not public at all.

Framed thus, Smith’s arguments on the social disadvantages of the division of labour reveal much more than what Hayek or the old Chicago School conclude. They reveal Smith’s concern with the primary driver of material progress in modern society being part and parcel of what generates growing patterns of inequality. More specifically, they reveal how material progress is unable to address patterns of growing inequality without government intervention precisely because this progress tends to isolate itself from those patterns the more it develops. By calling for government intervention to redress patterns of inequality, Smith shows his reader that he feels comfortable imposing specific limits on certain free-market operations—a far cry from the earlier calls for absolute *laissez-faire* or for an unwavering devotion to the unseen economic patterns of the free market. This does not mean that Hayek and the old Chicago School were wrong to suggest that self-interest and the ‘invisible hand’ are central ideas in Smith’s works. Rather, it means that these are not the *only* central ideas in Smith’s repertoire, and that he readily highlights the social disadvantages of the division of labour to explicitly countervail the benefits of self-interest and the invisible hand. By narrowly focusing on the benefits of Smith’s economic system without addressing the corresponding social ills of commercial societies in the market age, Hayek and the old Chicago School present a distorted and ideologically-charged view of Adam Smith.

That Smith saw the need to dilute his own belief in the providence of unsurveyable economic patterns through government intervention tells us that his endorsement of ‘commercial societies’ in the market age is a tepid, if not cautious one; one that handily dispels the myth that he was the earliest “champion” of free-market capitalism in any strict sense of the term.

0.2. *Research Problem: State and Government Intervention versus Political Power in Smith's System of Thought*

My interest in Smith's social and economic diagnoses grew the more I understood how to separate his voice from those of Hayek and the old Chicago School. But even at the peak of my interest, one important issue remained unresolved in my mind: I could not understand why Smith did not explicitly examine the power dynamics produced by the social disadvantages of the division of labour. Smith had certainly afforded himself the opportunity by addressing how the performance of the same few work operations atrophied the 'labouring poor' and undermined their capacities to meaningfully participate in public life. But as soon as Smith delivers his diagnosis, he sweeps the problem away by calling on government intervention as a necessary palliative. At this juncture in Smith's argument, there is no further discussion on how the mundane and repetitive working conditions of the labouring poor seem to prepare them for political subjection more than political action. Likewise, there is no serious discussion on how the structure of work under a sophisticated division of labour conditions workers (via discipline) to obey authority figures out of habit more than it prepares them to defend the conditions of 'natural liberty'. Likewise, there is no critical examination of the government's role. Rather, Smith must unreflectively assume that government is politically neutral in order to call upon it to intervene. In doing so, however, Smith overlooks the possibility that government's primary function—maintaining order—can undermine its ability to counteract those elements of the division of labour that seemingly prepare the 'labouring poor' for political subjection. The mere implication of this is enough to show, contra Smith, how government is not a neutral party, but a politically interested one when working to attenuate social ills. Ultimately, these oversights reveal how Smith ignores the sometimes latent, sometimes overt power dynamics embedded in his general assessment of 'commercial societies' in the market age.

The previous insight informs this dissertation's research problem: it is uncommon for Smith to properly acknowledge both the social and power relations that constitute government and/or the State² before calling on these institutions to intervene in society. Similarly, it is quite uncommon for him to critically examine the power relations embedded in certain social activities like economic production before calling for government and/or State intervention. On the surface of things, this poses a clear and immediate political problem: if Smith calls on

² The most notable exception occurs in Book IV of WN in which he provides a thorough critique of mercantilism.

the State to intervene in society before he properly theorizes the power dynamics between the State and society, he leaves himself incapable of clearly differentiating between moments where the State intervenes in society to increase its own power and moments where the State acts to the benefit of society as a whole. But the problem runs much deeper than its immediate and most visible political implications: let us remember that Smith calls upon State intervention to address the negative social effects generated by the economic division of labour *when it is left to its own devices for too long*. This suggests that Smith calls upon the State to address a number of *technical* problems inherent to the economic structure of the ‘commercial societies’ of his time. In this sense, the State is viewed as *technical instrument*, i.e. as a tool to repair an economic machine which occasionally requires “fine-tuning”. At the same time, however, the reason Smith calls upon the State to intervene in the first place is rooted in fundamentally *moral concerns*. He insists, after all, that State intervention is meant to elevate the depreciating living and working conditions of the ‘labouring poor’ which implies, in the final analysis, a value judgement on individual human life.

Here, Smith is trapped in a very thorny contradiction: he advocates for a moral solution to what he otherwise views as a fundamentally technical problem. The contradiction takes root in the fact that Smith’s moral solution assumes a very different kind of politics than what his technical view of the problem calls for. On the one hand, the moral solution implies a high degree of popular political participation. More specifically, it implies that the citizen body or *politeuma* are involved to some degree in reaching important decisions about the future of its polity (or *politeia*) through the use of its moral faculties, i.e. its ‘noble and tender sentiments’ and ‘capacity for rational conversation’ among others. In order to guarantee that these faculties are used *en masse*, i.e. by the majority of the citizen body, Smith advocates for elevating the general social conditions of the working population to a minimal ‘moral’ standard which, in turn, allows every individual citizen to develop her ability to form good judgements on ‘the great and extensive interests of [her] country’. Smith’s famous passage on the social disadvantages of the economic division of labour makes this point clear by specifically calling for a publicly-funded education program in the hopes that it would allow on-coming generations of the working population to expand their view of the world beyond the menial and mind-numbing tasks they are otherwise expected to perform as part of their economic functions.

One the other hand, however, Smith’s assessment of the social disadvantages of the division of labour suggests that setting minimal ‘moral’ conditions for the working population

is only a matter of “fine-tuning” an otherwise well-oiled wealth-generating machine, i.e. the economy. From this perspective, there is no need for the *politeuma* to get significantly involved in political decisions that impact its social and moral conditions. The decisions are best left to political technicians, experts and specialists who have the special knowledge required to calibrate the economic machine to the right social frequencies in order to produce as much social harmony and balance as possible. When Smith examines the technical dimensions of wealth-production, he seems to advocate for a depoliticization of the public sphere. In other words, he appears to assume that the public sphere is best left to experts who wield the special knowledge required to manage the *politeia* as efficiently as possible. Here, the need to ensure minimal ‘moral’ standards for the public becomes less important than maintaining the economic conditions by which material wealth continues to increase incrementally over time. This is because the most essential reason for the public to develop their ‘moral’ faculties—being involved in the political decision-making process to an important degree—disappears as experts and specialists increasingly take charge of society’s major political responsibilities through the State apparatus. It is here that Smith is most likely to view the State as being politically neutral since he frames its role in society as being a *technical instrument* used to calibrate an even more fundamental economic-machine. By thus instrumentalizing the role of the State in society, Smith frames the relationship between the State and the economic division of labour as if it were completely necessary, devoid of value-judgements and therefore, exempt from major social and political decisions involving the majority of the *politeuma*.

Let us be clear: the contradiction between Smith’s proposed solution to the problem of growing social extremes and his view of the problem itself, does not stem from the fact that *morality* and *technique* are necessarily or always incompatible. Instead, the contradiction is rooted in the fact that the politics implied by Smith’s moral solution are incompatible with the politics implied by his technical assessment of the problem. In reading Smith, the contradiction plays out in more or less in the following way: just as he calls for greater political participation through the exercise of our ‘moral’ faculties, he cancels the call by relegating politics to technicians, experts and specialists who govern the public sphere according to their superior political “wisdom”. Ultimately, Smith is trapped between these two positions because he does not consistently examine the social and power relations that constitute either the economic division of labour or the State tasked with mitigating its adverse social effects. Without a proper assessment of those relations, all that consistently remains for the basis of Smith’s politics are *morality* and *technique*—two standards between which Smith vacillates to compensate for his

not being sufficiently attentive to which groups in ‘commercial societies’ have the ability to produce intended effects based on their particular interests, judgements and sentiments. So long as Smith does not pay enough attention to the issue of power, his call for government and/or State intervention unravels behind his political ambivalence, i.e. behind his inability to decide whether the problem of growing social extremes requires either a *popular* or *technocratic* political approach. As a result, Smith remains firm that the State should intervene in society to mitigate the problems caused by the division of labour, but he does not properly establish on what political basis the State should intervene in the first place. He thus remains trapped between two incompatible political approaches without ever fully committing to one or the other.

0.2.1. *Displacing the Contradiction: Smith and the ‘Science of the Legislator’*

To a certain extent, Smith endeavours to attenuate the previous contradiction through his conception of political-economy as the ‘science of the legislator’. Seen through the lens of this ‘science’, Smith’s body of work aspires to “teach potential legislators in [Smith’s readership] how to devise political and economic institutions capable of accommodating man’s selfish passions and in turn meliorating or transforming them into agents of social stability and growth.” (Hanley: 2008; 220)³ The idea of political-economy as a ‘science’ in Smith’s system of thought serves a specific purpose: it allows him to form a blueprint for a very complex system that checks and balances power by protecting ‘commercial societies’ from a myriad of possible (if not plausible) dangers. This social blueprint, in turn, fulfills two functions which Smith sees as vital to legislating and thus, politics: firstly, it establishes when it is appropriate for legislators or other political actors to intervene in society, and when it is best to allow the largely self-regulating economic and social systems of the commercial age to run their course unfettered by heavy-handed political decisions. Here, Smith’s blueprint is meant to protect society from the dangers of government/State overreach and likewise, is meant to ensure that political power is limited in such a way as to only bring about positive or necessary social changes. Secondly, Smith’s social blueprint is meant to establish universal norms of justice embedded in “an account of the general principles of law and government, and of the different

³ This point is further supported by and developed in Edward Cohen’s (1989) “Justice and Political Economy in Commercial Society: Adam Smith’s Science of a Legislator” in *Journal of Politics*; Knud Haakonssen’s (1981) *The Science of the Legislator: The Natural Jurisprudence of David Hume and Adam Smith*; Peter McNamara’s (1998) *Political Economy and Statesmanship: Smith, Hamilton and the Foundation of the Commercial Republic*; and Donald Winch’s (1998) *Riches and Poverty: An Intellectual History of Political Economy in Britain*.

revolutions they have undergone in the different ages and periods of society.” (Ibid, 220; TMS VII.iv.36-37) These universal norms of justice are meant to protect from another danger: that posed by the crafty and insidious politician who, through the use of Machiavellian wiles, seizes the means of statecraft only to subordinate them to a “politics of interest” (Hanley: 2008; 220) Through it all, Smith’s ‘science of the legislator’ always returns to roughly the same goal or aspiration: creating the right conditions so that the State is wise and restricts its role to ensuring peace and justice, thereby allowing markets to generate wealth rather than attempting unnecessary interventions that upset the delicate social balance. This “wise State”, as it were, is predicated on a legislature that sagely exercises self-restraint, an effective police force, an impartial judiciary, and other related factors required to guarantee order and social harmony.

Through his conception of political-economy as the ‘science of the legislator’, Smith makes his strongest case for the need to respect the freedoms of individuals and social institutions while also maintaining his belief that only the wisest actors should be in charge of politics. His conviction that the freedoms of individuals and social institutions ought to be respected is woven into the very idea that legislating involves ‘accommodating [...], meliorating or transforming [man’s selfish passions] into agents of social stability and growth.’ This way of thinking about legislating implies that politics should serve to gently guide citizens and, as Smith would say, the other ‘particular orders of society’ towards their most beneficial social outcomes by working with (instead of excluding) them. Smith’s strong conviction that freedom ought to be respected in the legislation process rests, if only implicitly, on the assurance that everyone has a place in society. And that assurance, in turn, justifies Smith’s other conviction that minimal ‘moral’ standards ought to be maintained for the public even when the mechanics of the economic division of labour tend to the polarization of society. Here, Smith’s interest in the *politeuma* is renewed. At the same time, however, his interest is only renewed insofar as the idea of transforming the passions of the *politeuma* into an agent of social stability and growth requires a specific kind of expertise that only the “wisest” and most “knowledgeable” political actors are able to properly wield. In this way, Smith is able to soften the effects of our earlier contradiction by maintaining the moral and technical aspects of his politics together in a single approach; one that recognizes the need for “wise” legislators at the helm of the State and also acknowledges the need to elevate the standards of the ‘labouring poor’ above a certain ‘moral’ threshold so that legislators may better work with them to produce the best possible social outcomes.

As an answer to our earlier contradiction, the ‘science of the legislator’ introduces significant nuances to the problem. But despite all of its subtlety, this ‘science’ only succeeds in displacing the contradiction—not in resolving it. This is because as soon as Smith maintains the notion that only the “wisest” political actors should rule, his technocratic vision of politics wins the day over his moral vision. In more specific terms, Smith must eliminate the most practical reason the ‘labouring poor’ have to exert their ‘moral’ faculties—i.e. partaking in the decisions that determine how power should be used—in order to maintain that the “wisest” people should be put in charge of politics. In this context, the only remaining reason to maintain a minimal ‘moral’ standard for everyone is purely abstract and mirrors the arguments on equality of opportunity found in later iterations of liberalism: because we do not know in advance who the “wisest” people are in society, it becomes necessary to guarantee a minimal ‘moral’ standard for everyone so that even those who are born in less advantageous conditions have the opportunity to actualize their potential for “wisdom” (should they have it). This reason is abstract because it connects the individual’s social value not to her actual place in society, but to the slim chance that she has the potential to occupy one of a few important social functions reserved exclusively for the most important social actors.

This reason is abstract because it operates on the assumption that the majority of individuals have nothing significant to contribute to politics but that we should nevertheless give the majority an opportunity to develop its ‘moral’ faculties on the off-chance that it does. This argument does not carry the exact same implications as the idea that everyone should benefit from the assurance of having a guaranteed place in society. But for Smith’s political purposes, it nearly has the same effects: although as a matter of theory, individuals are only valued for their potential to be among the “wisest” in society, our inability to distinguish the “wisest” from the “less wise” in advance suggests that everyone in society should be given the same basic ‘moral’ protections as a practical matter. In that, individuals have the chance to develop their better ‘moral’ faculties and thus, are given roughly the same basic ‘moral’ and political protections they would receive if they were valued for the actual place they hold in society.

If the reason Smith wants to provide basic ‘moral’ standards for the ‘labouring poor’ was only threatened by the barely latent elitism in his technocratic vision of politics, he could still justify the need to uphold those standards through the formal protections they afford to everyone. And in fact, that is precisely what his ‘science of the legislator’ does from a certain vantage point. But in ‘commercial societies’ specifically, there is another social force that

works to undermine those standards down to their very *raison d'être*: the division of labour itself which, as Smith acknowledges in the last book of WN, conditions workers to become 'as stupid and ignorant as it is possible for a human creature to become' by confining their attention to repeating a few mundane and mind-numbing tasks. If the idea of politics being restrained to a few "wise" legislators undermines the need for the majority of the *politeuma* to actually make use of their 'moral' faculties, the repetitive and mind-numbing mechanisms of the division of labour undermine the opportunity the 'labouring poor' have to develop those 'moral' faculties in the first place. And if the 'labouring poor' must struggle to have and develop those faculties against the very mechanisms that Smith identifies as the core of wealth-production in 'commercial societies', we can be forgiven for wondering: how long will the State and its legislators be incentivized to use power to uphold basic 'moral' protections for the 'labouring poor' until those protections are eventually dismissed as a politically expendable luxury; as an outcome whose economic costs outweigh its formal and abstract social benefits? Here again, Smith is caught in the gears of the previous contradiction as his moral politics is subsumed by the gears of his technocratic politics. Rather than explaining this issue, Smith's call for government and/or State intervention actually *explains it away*. In other words, it assumes the issue before it truly examines it. For that reason, I contend that Smith's political theory begins to unravel as he uncritically introduces government and the State as political actors in his larger system of thought.

Smith would surpass the seemingly endless political complications emerging from his attempts to reconcile morality and technique within his vision of the *politeia*, if only he paid more attention to the power dynamics that shape, and are shaped by, the division of labour in 'commercial societies'. Smith would not need to perform so many of the mental contortions contained in his 'science of legislator' if he began his political reflections by acknowledging that as a matter of course, the division of labour excludes the 'labouring poor' from the public sphere and leave the wealthy to occupy it by themselves. Here, the root of the original problem is reframed around the disappearance of the public sphere behind the "politics of interest" of a particular class and group of social institutions. Contrary to Smith's earlier strategy, however, devising a solution to this problem would have to begin not with establishing universal norms of justice. Instead, it would begin with identifying how the power dynamics of 'commercial societies' incentivize the wealthy and powerful to disregard these norms or, in more abstract terms, how the power imbalance in commercial systems creates a loophole that makes the even-handed application of universal norms altogether impossible. In light of this problem, the goal

of this dissertation finally becomes clear: to further explore the power dynamics within ‘commercial societies’ that Smith either neglects or theorizes incompletely in his broader system of thought. In this way, I hope to sidestep, as much as possible, the political contradiction in which Smith is mired.

0.3. *Theoretical Framework and Soft Thesis*

There are many ways to approach the power relations of what Smith calls ‘commercial societies’. In this dissertation, I elect to explore those relations through an internal critique of Adam Smith’s body of work. In other words, I intend to use what Smith says about ‘commercial societies’ as a springboard to say something new about them on his terms. In so doing, I aim to show that there are still unexplored avenues to Smith’s conceptual framing of ‘commercial societies’ that provide relevant insights on how societies organize power in the age of manufacturing and the free-market. By exploring the organization of power in ‘commercial societies’ in Adam Smith’s thought, I will inevitably shed light on those dynamics which block his moral and technocratic vision of the *politeia* from ever coming true. This is not a coincidence, and it is not because I personally believe that his ideal vision of ‘commercial societies’ is a worthwhile political goal to pursue. Rather, it is because the dynamics blocking Smith’s vision from coming true are also the very same that threaten the public character of politics in ‘commercial societies’ by excluding the ‘labouring poor’ and by extension, the majority of the *politeuma*, from meaningful avenues of political participation.

In Smith’s body of work, I identify three major topics that are closely related to political power: his assessment of the division of labour itself, his analysis of political subjection, and his reflections on the nature and psychology of authority. I will develop each of these topics in their own distinct chapters. But in order to understand how power dynamics are organized in ‘commercial societies’ on Smith’s own terms, I will also need to establish how these topics are connected to one another in ‘commercial societies’ themselves. Individually, these topics offer a glimpse of what Smith might have said about one particular aspect of power or another in ‘commercial societies’. Together, they provide us with a closer approximation of how power is organized in ‘commercial societies’ from the standpoint of Adam Smith’s thought.

The interrelation between the division of labour, political subjection and the psychology of authority in ‘commercial societies’ acts not only as a central thread to this dissertation, but its thesis as well. It can be summarized as follows:

According to Smith, the more sophisticated the division of labour, the more it unlocks the potential for even greater material progress. As this potential unlocks, Smith remarks that it not only opens the door for greater economic efficiency but also triggers a set of corresponding social transformations, including significant changes to government expenditure. In essence, government expenditures increase as the economic division of labour develops. This trend subtly indicates that the government's functions are becoming more complex and harder to perform with advancements in the economic division of labour. As a result, Smith alludes to the fact that government must adopt its own "political" division of labour to keep pace with the social changes triggered by the growing productive powers of the economy. This change in the structure of government appears necessary as a matter of logistics, but it also implies additional changes to the organization of political power. It suggests that the business of public life is increasingly reduced to government activity just as the new division of political labour allows governments to improve upon their techniques of "subject-governance", i.e. "soft" subjection, to maintain order and control. Here, the majority of the *politeuma* (or citizen body) sees its most meaningful avenues for political participation increasingly restricted behind a technocratic, managerial and governance-based approach to politics.

At the same time, the psychology of authority intersects with the changing structure of government caused by the division of labour in a very particular way. With the rise of a technocratic approach to politics, Smith notes that government relies less on deference to authority out of habit (or "hard" subjection) to maintain order in 'commercial societies' than it did in previous historical periods. This is because the government operates as a complex impersonal-bureaucratic machine more than ever before. Its structure is too cold and mechanical to inspire the same feelings of deference or "hard" subjection as it did in eras now long past. From this standpoint, Smith concludes that citizens of 'commercial societies' are more inclined to obey out of utility than authority. But although utility becomes the dominant principle of government for Smith in the age of the market, authority does not vanish altogether from the political scene since Smith believes that both authority and utility are present in all systems of government. Instead of disappearing, the authority principle mutates and concentrates in specific political institutions and phenomena. Smith never clarifies how the authority principle mutates or where it concentrates in 'commercial societies'. However, using his reflections on authority as a springboard, I contend that it concentrates within the person and institution of the *sovereign*. Here, the sovereign represents, like the monarch or tyrant of past eras, a single figurehead who, either for ceremonial purposes or not, presents herself as a

supreme ruler. But unlike kings and tyrants of old, the sovereign in ‘commercial societies’ does not root her ability to inspire feelings of deference and subjection in old authority symbols like the crown, the scepter, or the throne. Rather, she grounds her authority in the empty promise to rescue her subjects from their accumulated fears and worries about the future generated largely by the negative social effects of the economic division of labour.

0.3.1. Why the Division of Labour, Political Subjection and Authority?

Having introduced the theoretical framework and soft thesis, I now turn to the following questions: on what basis have I chosen the division of labour, political subjection and authority to talk about the organization of power in Adam Smith’s depiction of ‘commercial societies’? Why choose those three particular themes and not others?

0.3.1.1. In defense of the Division of Labour, Political Subjection and Authority

Among the secondary literature, Smith’s account of the division of labour in WN is typically used to discuss his economic theory. It seldom connects to his politics and where it does, the discussion is usually limited to Smith’s ideas on government expenditure as a mitigating force against the worst ‘moral’ and economic excesses of ‘commercial societies’. In the past, this has fuelled the false impression that Smith’s politics rarely go beyond the role of the State in economic affairs and therefore, that the division of labour has little to do with political power. I have challenged this impression throughout the introduction by emphasizing Smith’s observation that the division of labour fosters working conditions where the ‘labouring poor’ must confine their attention to repeating the same menial economic tasks. I have also emphasized how Smith uses this observation to conclude that the ‘labouring poor’ have no opportunity to develop the moral, social and intellectual faculties allowing them to translate their judgements and sentiments into politically significant motivators for public action. Although Smith himself appears to view the division of labour through a largely technical lens, his previous conclusion suggests that it is more than a technical apparatus to increase wealth-production: it is also a political instrument insofar as one’s proximity or distance to it determines one’s degree of access to the public sphere. It is in this sense that I consider the division of labour to be connected to the organization of power in ‘commercial societies’ and thus, more relevant to his broader political theory than what the secondary literature often times acknowledges.

Smith's ideas on political subjection are easier to connect to power. They derive from his dual principles of government in his *Lectures on Jurisprudence* (LJ) which underscore, in a manner of speaking, on what basis the citizen body submits to political order. From this perspective, his dual principles of government highlight on what basis the organization of power in 'commercial societies' is able to maintain and reproduce itself. In more recent scholarship, these principles of government have sometimes been used to challenge the earlier impression of Smith as being only interested in politics to determine the State's role in economic affairs (Winch, 1978; Haakonssen, 1981). His interest in the principles of government, so the argument goes, signify his strong engagement with the latest political debates of his time and therefore, suggest that his political theory should be reinstated to the same rank as his economic theory. The argument and its conclusion are certainly valid, but they continue to represent a significant problem: they grant equal rank to Smith's political theory by further distancing it from his economic theory. In so doing, they discourage any thorough exploration of how the negative social effects of the division of labour prepare political subjection in 'commercial societies'. Taking Smith's political theory more seriously, then, means engaging in that exploration of power more thoroughly.

The concept of authority also connects to political power in a more straightforward way. For Smith, authority is the first of the two principles of government. Utility is the second. As the first principle, authority represents people's "innate" propensity to subject out of habit and deference. When Smith examines authority as a principle of government, he is concerned with understanding the dimensions of political power that activate the subconscious parts of the human psyche inclined towards obedience. Authority, then, connects to political power as one of the invisible factors *enforcing* it. But unlike utility, authority represents the dimensions of political power that are enforced *non-rationally* and therefore, *automatically*. Recent scholarship has succeeded in connecting the authority principle to Smith's reflections on sympathy in *Theory of Moral Sentiments* (TMS) to underline the psychological underpinnings of political power (Khalil; 2005). But yet again, this scholarship comes up short by failing to connect the psychological underpinnings of power and authority to the negative social conditions generated by the division of labour. The scholarship thus fails to examine how the division of labour and the gradual automation of work invites, amplifies and *enforces* the automation of political power. In order to provide a more thorough analysis of power in 'commercial societies', I will therefore need to engage in that examination as well.

0.4. *Main Arguments*

The main arguments of this dissertation are what weave the soft thesis through the dissertation body. They are predicated on the idea that the division of labour, which Smith tends to present as natural, politically neutral and technocratically necessary for the continued production of material wealth, is anything but: it is embedded in a larger pattern of social relations and as such, implies a historically specific organization of power subject to and shaped by human decisions. Acknowledging the unrecognized social and power relations that shape ‘commercial societies’ allows us to do two things: 1) reintroduce power relations into Smith’s account of politics and 2) present Smith’s concept of politics as an extension of the social forces which the division of labour unlocks and/or attempts to govern within the economic sphere.

Although Smith sometimes succumbs to a naturalistic view of economics and the division of labour, I do not want to suggest that he was wholly unaware of the historical specificities of ‘commercial societies’. Smith, after all, dedicates significant intellectual efforts in LJ and in books III, IV and V of WN, to specifically identifying the different modes of social and economic organization throughout history. In order to do that, Smith developed a sense of their specific differences and by extension, of the distinct social relations that correspond to each mode of economic and political organization throughout history. Rather, my goal is to disentangle Smith’s account of those specific differences from his larger narrative on the natural progress of material wealth throughout history which posits, in accordance to his technocratic view of politics, that humankind “naturally” tends to increase wealth through its “innate” propensity to ‘truck, barter and exchange’ (Smith: 1827; I.2) I aim to do this because Smith’s naturalistic account on the progress of material wealth fuels the idea that the economic engine of ‘commercial societies’ is politically neutral and therefore, that the government or State is equally neutral when intervening to “fine-tune” this engine.

By reintroducing the hidden social relations and power dynamics underlying Smith’s account of the division of labour, I will attempt to underscore how the political climate of ‘commercial societies’ are, beyond their neutral facade, imprinted by strong conflicts involving spheres of activity like economics and politics, and actors like the *politeuma*, the *politeia* and the State.

0.4.1. *The Central Conflict: On the Productive Advantages and Social Disadvantages of the Division of Labour*

The main arguments begin in the first chapter with the division of labour and more specifically, its economic component. Smith heralds it as the primary cause for the increase of the wealth of nations at the time of his writing. The reasons for this increase have to do with the productive advantages of the division of labour which are firmly embedded in its inner-workings: the more a single trade (like pin manufacturing, for example) is divided into increasingly specialized branches performed by workers solely dedicated to their particular branch, the more production increases as a result of labour's increased efficiency. Compounded over multiple workplaces, this process raises the general productive output of the nation as a whole which corresponds, in turn, to what Smith originally understands by "wealth".

If the argument were to end with the productive advantages of the division of labour, there would be nowhere else to go. The wealth of nations would gradually increase over time as the economic division of labour becomes more sophisticated. And given that nations are "well-governed", there should be "a general plenty [that] diffuses itself through the different ranks of the society." (Smith: 1827; 5) We would enter, as Francis Fukuyama once wrote, the end of history, i.e. point in human history where there is no major story left to live out. In this particular case, the end of history would arrive through the promise of unlimited material growth and progress. Steadily improving material conditions would eliminate the need for people to stoke the flames of preexisting social and political conflicts because their present material conditions would be continually receding in the face of a future that always improves their material lives incrementally. But even if we were to uncritically concede the vision of a society where 'a general plenty [always] diffuses itself through the different ranks of society' to Smith—and there are compelling economic arguments for why we should not⁴—it would

⁴ In his first of three *Economic and Philosophical Manuscripts*, Marx argues, *contra* Smith, that the division of labour implies its commodification, and that the commodification of labour is not conducive to the labourer's well-being so much as it reduces her to the status of an object to be handled and traded on the free market. And since labourers are reduced to a commodity, they are, for all intents and purposes, at the mercy of their buyer. Wages are equally at the mercy of the free-market in this context since they are dependent on the price of labour. This suggests, in turn, that wages do not always increase with increases in the productivity of labour. Rather, they increase or decrease as a function of the demand for labourers. In terms closer to Smith, it means that the market system does not always guarantee that the worker's increased capacities should mean that they dispose of a greater quantity of their labour to exchange on the market: "The ordinary wage, according to Smith, is the lowest compatible with common humanity (that is a cattle-like existence). *The demand for men necessarily governs the production of men, as of every other commodity*. Should supply greatly exceed demand, a section of the workers sinks into beggary or starvation [...] The worker has become a commodity, and it is a bit of luck for him if he can find a buyer. And the demand on which the life of the worker depends, depends on the whim of the rich and the capitalists. Should the quantity of supply exceed the demand, the one of the constituent parts of the price—profit, ground-rent, or wages—is paid below its rate; a part of these factors is therefore withdrawn from this application, and thus the market-price gravitates towards the natural price as its centerpoint. But (i) where there is considerable division of labour it is most difficult for the worker to direct his labour into other channels; (ii) because of his subordinate relation to the capitalist, he is the first to suffer. *Thus in the gravitation of market-price to natural price it is the worker that loses most of all and necessarily*. And it is just the capacity of the

leave an extremely important matter unattended: the social disadvantages of the economic division of labour that accompany its corresponding productive advantages.

If we think of the main argument of this dissertation as a traditional three-act story arc, the negative social effects of the division of labour, as it were, would be the inciting incident. In other words, these effects provide the central conflict that sets our argument into motion and subsequently frames “the rising action”, i.e. the way in which the central conflict generally “escalates” in society. By outlining some of Smith’s moral concerns about ‘commercial societies’ in TMS, and by analyzing his assessment of the negative influence of the division of labour on human societies in LJ and WN, I have compiled a list of characteristics illustrating these disadvantages throughout the dissertation: the worker’s attention is largely confined to her working operations and does not develop into a general understanding of the world of which she is a part; ignorance and “stupidity” thus become a general social problem primarily expressing itself in terms of the worker’s inability to develop noble, generous and tender sentiments, or to uphold rational conversations; the expansion of ignorance and “stupidity” to most of society fuels an excessive fixation on social appearances culminating both in the individual’s loss of self and her growing need to conform to social expectations to develop an identity of her own; the excessive fixation on social appearances clouds the individual’s judgements of her private affairs and obstructs her capacity to properly judge on “the great and extensive interests of [her] country.” (Ibid; 327)

Brought together, these characteristics testify to the fact that increased material progress in ‘commercial societies’ is predicated on the production of extreme conditions concentrating at opposite poles of society: the wealthy concentrate power and knowledge at one pole because they have the means to avoid the deleterious effects of working under a sophisticated division of labour. The ‘labouring poor’ concentrate powerlessness and ignorance at the other pole because they have no choice but to make a living by confining most of their attention to menial job operations performed in manufactures and other similar workplaces. This is an excellent example of the concentration of increasingly extreme conditions threatening to disintegrate the fabric of ‘commercial societies’. It sets the central conflict in motion: a conflict not only between the rich and poor themselves but more importantly, between human beings as

capitalist to direct his capital into another channel which renders destitute the worker who is restricted to some particular branch of labour, or forces him to submit to every demand of this capitalist.” (Marx:1964; 69-70)

social/political agents and the engines of material progress threatening to disintegrate the public character of social life by producing these extreme conditions in the first place.

0.4.2. *The “Rising Action”: On the Division of Economic and Political Labour, of Political Action and Subjection, and of Utility and Authority*

The “rising action” in the argument is set into motion as the extreme social conditions produced by the economic division of labour pull more and more areas of social life apart by concentrating them at opposite poles of society. In doing so, the economic division of labour threatens to disintegrate the public character of ‘commercial societies’ by excluding the ‘labouring poor’ and by extension, the majority of the *politeuma*, from meaningfully partaking in politics.

0.4.2.1. *Rising Action (1): the Division of Economic and Political Labour*

In the first instance, we observe the central conflict in the division between economic and political labour which is discussed in the first chapter. We observe it because the chapter addresses how the division of economic and political labour is grounded on a prior distinction between the productive advantages and the social disadvantages of the economic division of labour.

Regarding the productive advantages of the division of labour, the chapter follows Smith’s analysis in Book I of WN. In that book, Smith links the increased production of material wealth at the time of his writing to advancements in the division of labour developed in certain Western nations. Alongside Book II of WN on the ‘nature, accumulation, and employment of stock’ (read: capital), Smith’s intention in Book I is to expound his economic analysis and thus, to provide a framework to delineate the theoretical jurisdiction of the economic sphere. By restricting his analysis of the division of labour in Book I, Smith gives the early impression in his first two chapters that economic activity is restricted to the activity of wealth-production—an impression he amends in chapter three only to clarify that the division of labour and therefore wealth-production, is necessarily limited by the extent of the market and therefore, is determined as much by production itself as it is by commerce and market activity. But even with this amendment, the theoretical jurisdiction of economic activity is clearly laid out and forces Smith to eventually acknowledge an important social and political problem: if the social roles of economic activity are restricted to wealth-production and trade, then the economic sphere does not account for certain social problems which nevertheless stem

from its mode of organization. The ‘moral’, social and intellectual degradation of the ‘labouring poor’, as Smith describes it in the earlier quote, becomes one such problem that no longer fits in the theoretical jurisdiction Smith outlines for economics. And yet, the problem is serious enough to require a solution. This raises the question: what sphere of human activity, if not economics, becomes responsible to find a solution?

Smith is forced to acknowledge the problem in Book V of WN—and this is where his assessment of the social disadvantages of the division of labour begin to flourish. In other words, this is the book where Smith implicitly acquiesces that economics cannot structurally account for the ‘moral’, social and intellectual degradation of the ‘labouring poor’ if its social role is restricted to the activities of production and trade. On this basis, Smith suggests that it is the responsibility of government and more generally, of the political sphere, to take hold of the problem emerging from the “productive advantages” of the division of labour. To that effect, he focuses his attention in the first part of the book on government expenditure. *Government expenditure*; because it takes considerable means for government to enact policies that mitigate the most negative social effects of the “productive advantages” of the division of labour. A few important observations here: 1) Smith notes, although never quite explicitly, that government must adopt its own “political” division of labour in order to address the social problems emerging from the economic division of labour. This is perhaps the most unique aspect of government (and by extension, politics) in ‘commercial societies’ according to Smith’s historical observations. 2) In the context of ‘commercial societies’ where economic activity is limited to production and trade, Smith must restrict the role of government (and by extension, politics) to “keeping the peace”. 3) To conceptualize economics as production and trade, and politics as the activity of mitigating all negative social effects that exceed the jurisdiction of production and trade, Smith must replace the idea of society with the division of labour full stop. Here, Schumpeter’s (1954) observation that “nobody either before or after A[dam] Smith, ever thought of putting such a burden upon the division of labour” (187) takes on an added meaning: it suggests that the economic and political spheres are tasked with guaranteeing social welfare indirectly by overseeing different aspects of the division of labour in itself (its productive advantages for the former, and its social disadvantages for the latter).

By assigning complementary social roles to economic and political activity within the greater division of labour (i.e. the one replacing the idea of society as a whole) Smith’s intention may have been to contain the social problems generated by the economic division of labour to politically acceptable levels. However, the opposite happens. As economic and political

activity specialize more and more in the respective social roles Smith assigns for them, they grow increasingly distant from one another until, as the old saying goes, the right hand does not know what the left hand is doing. In this light, it becomes difficult, if not impossible, for economics and politics to continue working towards the same general goal of social welfare in a complementary way. Each activity is battonned down within its own narrow parameters and jurisdiction.

This is where Smith's technocratic assessment of both the economic and political division of labour affords us a first glimpse into the underlying power dynamics of 'commercial societies'. And as we examine the political functions Smith outlines for government in Book V of WN, a pattern begins to emerge: the level of sophistication and interdependency implied by a modern division of labour makes it difficult for workers in 'commercial societies' to extricate themselves from their jobs without compromising their livelihoods. This suggests that workers are economically disincentivized from performing their civic responsibilities lest they are hired by the government to perform those duties professionally. For the majority of workers who are not professionally hired by government, the consequence of this economic disincentive is that they must overcome an additional barrier in 'commercial societies' to properly translate their material circumstances into political power as the gap between economic and political activities widen. With a growing portion of the working population unable to take the time to be politically engaged, the barrier for political entry becomes stricter and politics loses its public character. Here, we return to our central conflict but from a different perspective: the social disadvantages produced by the economic division of labour (ignorance, stupidity, loss of noble and tender sentiments, etc.) become a sign of the widening gap between economics and politics and as such, a sign of the higher barrier for political entry. At the same time, we see that politics loses its public character as it becomes progressively confined to those who have the means to avoid working in a sophisticated division of labour, or those who are hired by the State as professionals to fulfill their civic duties in one area or another.

0.4.2.2. *Rising Action (2): Political Action and Subjection*

In the second instance, we observe how the central conflict "escalates" in Smith's views on citizenship and public participation. This part of the argument begins in the final section of the first chapter entitled "Self-Interest and the Need for State-backed Order" and continues throughout the second chapter. But in order to understand this portion of the argument, we must briefly outline how Smith views citizenship and public participation.

Generally, Smith's recurring concern for the character of the *politeuma* in TMS, LJ and WN suggests that he views the citizen body, to reprise Cornelius Castoriadis' famous expression, as comprised of those who are able to govern and be governed in turn⁵. Smith's insistence on the importance of practical ethics in TMS, as well as his lament in LJ and WN for the social, intellectual, and martial degradation of citizens under the division of labour, are roundabout signs indicating that Smith expects citizens to use their capacities to form good judgements on the 'great and extensive interests of [their] country.' In this way, Smith expects the majority of the *politeuma* to take an active role in governing the *politeia*. At the same time, Smith's principles of government in LJ and more notably, his ideas on public interest, make it clear that citizens are also expected to submit to government in certain instances for the sake of the public good. Otherwise, the individual citizen's pursuit of personal advantage would supersede the needs of her politically organized society, and the *politeia* would risk collapsing as a result. To judge on public matters and to submit to government when necessary: this is but Smith's way to express Castoriadis' earlier claim about citizens partaking in public life by governing and being governed in turn. The claim itself is relatively uncontroversial—Castoriadis originally attributes it to Aristotle and thus firmly anchors it within the long-standing canon of Western political theory. But there is an important difference when Aristotle and Smith make this claim: in the context of his *Politics*, Aristotle is simply attempting to describe what citizenship and political participation actually consist of. In the context of 'commercial societies', however, Smith makes the same claim to prescribe how citizenship and public life ought to be—and not merely to describe how it already is. Ultimately, Smith's claim is *prescriptive* because it no longer corresponds to the reality of public life by the time he describes the political organization of 'commercial societies'. As we learn why Smith's account no longer describes the political reality of his day, we once again return to our central conflict but yet again from a different perspective.

The reason why 'commercial societies' do not perfectly correspond to Smith's ideas of citizenship and public participation is because their political organization follows the principles of the division of labour every bit as much as the economy. This is to say that politics in 'commercial societies' is structured in such a way that each of its functions (defence, justice, public works and maintaining the dignity of the sovereign) is progressively divided from the

⁵ This idea is referenced by Castoriadis in an interview conducted by Daniel Mermet entitled 'No God. No Caesar. No Tribune!'. The interview is later transcribed in the book *Postscript on Insignificance: Dialogues with Cornelius Castoriadis* (1999).

others as its operations are specialized and performed by a particular group of professionals. As each group of professionals focuses on improving its tasks within its own branch, they are collectively able to increase the “productivity” and “efficiency” of the government as a whole in much the same way that groups of specialized workers collectively improve the economy. But despite the increase in “productivity” and “efficiency”, Smith’s tacit account of the political division of labour creates a decisive problem for his model of citizenship and political participation: by specializing political functions, Smith leaves the responsibility of governing the *politeia* to the government and the “professionals” it hires, while simultaneously confining the majority of the *politeuma* to being governed.

This second part of our “rising action” quickly builds on the first. It uses the growing divide between the economic and political divisions of labour developed in the first part of our argument to demonstrate how the task of governing the *politeia* is eventually separated from the task of being governed. To that effect, it further shows that the task of governing the *politeia* falls to the government and State apparatus while the task of being governed falls on the shoulders of the majority of the *politeuma*. Here, the *politeuma*’s primary experience of politics is confined to *subjection*; to obeying government for the sake of the “public good” as if the *politeuma* was meant to be nothing but an object of government or State administration. Here again, we find yet another layer of meaning to explain how and why the majority of the citizen body, who are also workers, fall prey to the negative social effects of the division of labour: their “stupidity” and ignorance, their inability to form good judgements on private and public matters, the disappearance of their martial and “heroic” spirits, etc. is a function of the principles of the division of labour creeping into the foundations of public life. Specifically, it is a function of these principles dividing the two major roles of citizenship—governing and being governed—into their own separate branches of political activity, while confining different social agents and entities to each branch as if they were meant to “specialize” in them. At this juncture, I trust that no extended exposition is necessary to show how this separation between *governing* and *being governed* affords us a second glimpse into the power dynamics of ‘commercial societies’.

Confining the State apparatus to governing the *politeia* and likewise, the majority of the *politeuma* to being governed, does not ensure that the State or the *politeuma* become “experts” in governing and being governed respectively. On the contrary, Smith’s model of citizenship and political participation seems to tacitly rest on the idea that knowing when to govern depends on knowing when it is appropriate to be governed, and vice-versa. Each

component of citizenship is here meant to counterbalance the other. When these components are specialized and divided among different social agents or entities, they collapse in the absence of their natural counterpoint. We see what this collapse looks like towards the end of chapter two: for the majority of the *politeuma*, the condition of being confined to *being governed* means that its members lose the opportunity to properly develop their self-interest and their sense of public interest *at the same time*. As a result, the majority of the *politeuma* also loses the opportunity to determine when it is actually beneficial for it to submit “to avoid greater evils” and “for the good of the whole.” (Smith: 1896; 10-11) Its submission to government and the State, in other words, becomes an expected feature of political life and therefore, an *automatic* one; one that is every bit as *mindless* and *routinized* as the worker’s daily job operations in the manufacture. When subjection becomes mindless and an expression of conformity by that very fact, it loses everything that would otherwise make it politically significant. If we were to examine the effects of this mindless subjection on individual members of the *politeuma*, we would once again return to our list of the negative social effects produced by the division of labour: ignorance, ‘stupidity’, indifference to noble and tender sentiments, the loss of ‘moral’ character alongside that of social, intellectual and martial virtues, an excessive fixation on what others are doing to develop one’s own sense of self, etc.

For the State apparatus and its professionals, being confined to the task of *governing* means that they lose the ability to recognize when using political power oversteps the bounds of their “expertise”. This is precisely the issue Smith raises with his character-profile of the ‘man of system’. The ‘man of system’, after all, is someone who does not know what it means to be governed because if he did, he would be able to acknowledge that even the governed have “a principle of motion of [their] own, altogether different from that which the legislature might choose to impress upon [them].” (Smith: 1809; 319) The ‘man of system’ does not recognize this very simple reality, however, because he sees ‘every single person’ and every ‘particular order of society’ not from their own vantage point, but from the perspective of his own position within the State apparatus. In other words, the ‘man of system’ becomes so enamored with the State machinery, that he believes his goal in exercising political power is to produce order and social cohesion above all. From the confines of his own perspective, the ‘man of system’ sees political power as the only legitimate principle of motion in society and therefore, sees no reason not to use it to mold the ‘subordinate parts’ of that society according to his own conceited vision or ‘ideal plan of government’. Although I wrote that the ‘man of system’ represents civil servants and politicians with misguided ideals, his character-profile is also the

perfect embodiment of the State apparatus in ‘commercial societies’: an apparatus that specializes in governing the *politeia* while unable to see further than the power it uses to maintain order; an apparatus that mistakes its power with the public character of society; an apparatus that rearranges the *politeia* and its constitutive parts around its own interests and incentives without ever recognizing the full impact of that “rearrangement” on the *politeia* or its constitutive parts. Here again, we return to an important element of our central conflict: how the public character of the *politeia* is torn apart between the concentration of extreme power at the level of the State, and extreme powerlessness among the ‘particular orders of society’ that comprise the majority of the *politeia*.

0.4.2.3. *Rising Action (3): Utility and Authority*

The third and final instance where the central conflict “escalates” has to do with how Smith’s dual principles of political obligation, utility and authority, are deployed in ‘commercial societies’. This final part of the main argument spans across the second and third chapters of this dissertation respectively. The second chapter covers the utility principle while the third chapter covers the authority principle.

We can say the following regarding the utility principle: since the majority of the *politeuma* are confined to being governed in ‘commercial societies’, their motives for subjecting to government and State rule are systematically warped into political outcomes that reaffirm the need for State-backed order and social cohesion—even when that need betrays the motives that set it into motion. To that effect, when the *politeuma* submits out of utility in ‘commercial societies’, it submits to the *appearance* of what is useful instead of what is *actually* useful. In that, the *politeuma* is conditioned to accept more than it bargained for. It learns to accept its subjection by wrongly projecting the reason it intends to obey government and the State, onto the actual effects of its political obedience. Here, the *politeuma* fall prey to what Smith would call the problem of ‘self-love’, i.e. of incorrectly judging one’s own interests or situation by overinflating the importance of what is familiar and immediate. But the primary reason the *politeuma* falls prey to this problem is not because of a purely personal or intellectual lapse, but because the economic and political conditions generated by the division of labour socialize individual citizens to ignore differences between social appearances and their corresponding reality.

The authority principle, by contrast, represents something entirely different: when members of the *politeuma* submit out of authority, Smith tells us that they are looking for an

outlet to express their “innate propensity” to sympathize and thus, to extend their experiences beyond their physical bodies. In ‘commercial societies’ specifically, few outlets exist for this “innate propensity”. As per Smith, the economic system of these societies instrumentalize human relationships and discourage the authority principle from taking hold. At the same time, however, the strong social and economic inequalities within these societies fuel people’s need to invest their hopes and dreams into a single figurehead. Using Smith’s reflections on sympathy and authority as a springboard, I argue that in ‘commercial societies’ specifically, people’s need to invest their hopes and dreams into a figurehead collides with the fears and worries they develop as a result of the negative social impacts of the division of labour. I also argue that with few available outlets, people in ‘commercial societies’ will either turn to the figure of the *sovereign* to satisfy their need for sympathy, which is distorted into a need for authority, or they will otherwise demand that their chosen figurehead be elevated to the status of a sovereign instead.

In ‘commercial societies’, the figure of the sovereign effectively amounts to the head of State. But unlike kings and tyrants who fulfilled the same function in earlier historical periods, the sovereign’s control of the State is limited by the extent of the political division of labour. Because the State in ‘commercial societies’ is divided between its defense, justice and public works functions to a historically unprecedented degree, it becomes too unruly for the sovereign to be able to administer properly and solely by her own hand. Unable to properly administer the State, the sovereign specializes in its own political task: maintaining its own dignity and reputation as symbols of the State’s power to guarantee social cohesion, order and unity. In its ceremonial function, then, the dignity and reputation of the sovereign serve as both a beacon and an outlet for people’s frustrated outpourings of emotion. In its ceremonial function, the sovereign brings people together by focusing their emotional outpourings on her as a central target. But this does nothing to address the actual conditions producing those emotions in the first place.

If we dig in the right places, we uncover our central conflict here too: people’s inability to differentiate their *actual* interests from what merely *appears* beneficial to them is largely a function of their attention being “confined to a very few simple [work] operations.” (Smith: 1827; 327) Their fixation on the dignity and reputation of the sovereign as a beacon of political authority is a function of their misguided fixation on social appearances. Finally, their fears and worries about living under an economic system indifferent to their plight as individual human beings is a sign that the ‘spirit of system’ has effectively replaced ‘public spirit’ in

politics. And with that, the public character of society disappears behind the gradual fragmentation (read: specialization) of its constitutive activities. In their fragmentation, these activities produce more and more extreme social conditions to which people are increasingly confined, and between which people are torn apart in their lived experiences. The very stability of the *politeia* is threatened as a result.

0.5. *Caveats and Tripping Points*

Although there are some advantages to conducting an internal critique of Smith, there are disadvantages as well. Chief among them is that I must conduct the critique on Smith's own terms and therefore, accept a number of his assumptions that I would otherwise challenge. Ultimately, only the reader can decide whether the insights I intend to derive from Smith are worth the risk of accepting his more questionable philosophical assumptions. In the interest of acknowledging that risk, I will conclude my introduction by identifying two of Smith's core assumptions that I must accept and regrettably, leave unchallenged to proceed with my critique:

- (1) *Smith's 'regional' separation of the economic and political spheres*: despite acknowledging the interrelation between economics and politics in WN, Smith views these spheres of activity as distinct and 'regionally' separated from one another—complete with their respective divisions of labour. By separating these spheres of activity into different categories, Smith not only ascribes different roles and functions to them but more importantly, he categorizes politics as the sphere where social decisions are made and economics as the sphere where technical advancements emerge “organically”. The result is that Smith tends to treat economics as if it existed outside of society and therefore, outside of the social relations that inevitably form it. The most fundamental principles of economics, in Smith's view, are treated as natural, timeless, necessary, unchanging and the by-product of inevitable 'propensities' innate to the human species. Politics, by contrast, is contingent, uncertain, accidental and largely the product of chance because it is seen as the place where social relations happen and thus, where human agency finally comes into play. In the final analysis, Smith's separation of economics and politics not only undermines his insight on the productive advantages and social disadvantages of the division of labour originating from the same source, but it prevents him from examining how social and power relations operate in the economic as well as the political sphere

in ‘commercial societies’. As such, this separation limits the degree to which Smith is able to examine how the social (and power) relations organizing the economic base of ‘commercial societies’ affects its politics beyond the State apparatus and other formal political structures. This is why Smith’s politics in WN begin when the State is called upon to intervene in society and by extension, why his analysis of power remains incomplete when he examines the economic organization of ‘commercial societies’. By proceeding according to Smith’s ‘regional’ separation of the economic and political spheres, this dissertation, like the author it critiques, will naturally direct its attention towards the State and will have to take special pains to shed additional light on the social and power relations organizing the economy of ‘commercial societies’ from Smith’s vantage point.

- (2) *Smith’s concept of human nature*: as a component of Smith’s larger system of thought, human nature tends to delineate those actions and behaviours that are governed by “innate” if not subconscious impulses present, to some degree, in every individual member of the human species. Human nature, then, refers to what human beings allegedly cannot help but do when left to their own devices. In this sense, Smith’s concept of human nature interlocks quite smoothly with his description of the economy. Like Smith’s ‘regionally’ separated account of the economic sphere, the problem with this account of human nature is that it directs critical attention away from anything that is labelled ‘natural’, since the term ‘natural’ allegedly refers what human beings express “organically”, “spontaneously” and “automatically”. Since human nature is supposedly organic, spontaneous and automatic, there are no underlying motives behind it from Smith’s vantage point—human nature simply is what it is. And so, when Smith applies the term ‘natural’ to spheres of activity like economics or morality, he is locating these activities outside of society by categorizing them as “automatic” expressions of the voice of nature present in the soul of every single human being. In so doing, Smith fails to examine the social and power relations that clearly shape, and are shaped by, those “natural” actions and behaviours. He fails to consistently examine, for instance, how the division of labour in ‘commercial societies’ undermine the public character of politics by favouring the wealthy and likewise by excluding the ‘labouring poor’ from

developing ‘just judgements on the great interests of their country’. A final point to avoid misunderstandings at this juncture: unlike Hobbes and Locke as his liberal predecessors, Smith’s concept of human nature is not entirely immutable. Its *expressions* change from one historical period to the next as societies begin to organize themselves differently in light of changing material conditions. But because there is something fundamentally automatic about human nature for Smith, he remains unable to properly consider how historical changes in the *expression* of human nature are co-opted by the specific motives (read: interests) of the dominant classes and institutions in society at a given time.

I will revisit these caveats and tripping points in my conclusion to determine how much they have affected the poignancy of my main arguments throughout the dissertation.

Chapter 1

From the Economic to the Political Division of Labour

This chapter attempts to juxtapose Smith's analysis on the productive advantages of the division of labour in Book I of WN with his critique of its social disadvantages in Book V. The juxtaposition implies and rests on a central argument that binds the entire chapter together: the productive advantages and social disadvantages characterizing 'commercial societies' emerge from the same fundamental principle underlying the division of labour and therefore, they cannot be treated separately from one another. That principle, sometimes called specialization, consists in dividing particular trades into a series of smaller operations and subsequently allocating those operations to a group of workers whose job primarily consists in repeating them over and over again. In Book I of WN, Smith notes that this principle of specialization accounts for drastic increases in productivity by way of three things: 1) improving the worker's dexterity, 2) reducing the time she needs to transition from one task to another, and 3) encouraging mechanization. In Book V, he famously claims that this same division contributes to the worker's ignorance and "stupidity", and makes her wholly unable to properly partake in 'the ordinary duties of public and private life'. But the question remains: how can Smith attribute these seemingly contrasting observations to the same principle of specialization?

The answer is this: the reason workers are more efficient when labour is increasingly divided and specialized is because they are removed from many of the "distractions" affecting their productivity. The more dedicated they are to performing fewer and fewer operations, the less opportunity they have to get sidetracked by things like transitioning from one activity to another. The more "distractions" are removed from the worker's routine, the more she can focus on her economic tasks. Greater productivity and efficiency ensues. But let us not lose sight of the subtext here: greater productivity ensues as a result of the worker's growing *isolation* from her non-economic tasks. With fewer "distractions", the worker has less opportunity to connect her operations to the way that labour is more generally organized in the workplace. The same reasoning applies to society as a whole: if the worker is too busy with her tasks to properly connect her particular activities to how labour is divided in the *workplace*, she would have even less opportunity to determine how her activities connect to the way that society is organized outside of her particular manufactory or workshop. As Smith would say, without that understanding, there is little to no chance for workers to make 'just judgements on

the great and extensive interests of their country', or to meaningfully participate in public life. From the standpoint of a sophisticated division of labour, politics and public participation become yet another "distraction" threatening to affect the worker's efficiency, as the transition from economic to political activity is viewed as needlessly time-consuming and "unproductive". In other words, politics is to be removed from work and the economic sphere altogether, thereby leaving the social and power relations of that sphere altogether unexamined and uncritically accepted as "value-neutral".

What is important to consider here is that with the principle of specialization, Smith clearly illustrates that the division of labour simultaneously accounts for the worker's growing productivity and her social isolation all at once by removing "distractions" from her routine. The worker's repeated focus on one or two specific operations is also what narrows her attention away from the prevailing social landscape and by extension, from politics as both a *social* and *public* activity. It is in this sense that Smith understands the productive advantages and social disadvantages of the division of labour as belonging to the same underlying principle. And it is certainly clear when he states that "[the worker's] dexterity at his own particular trade seems, in this manner, to be acquired at the expense of his intellectual, social, and martial virtues." (Smith: 1827; 327) The passage could have read just as easily as "the worker's narrowing focus in the economic sphere certainly accounts for gains in productivity, but it is also acquired at the expense of her isolation from the rest of society." To clarify, the worker's isolation does not mean that she exists outside of society but rather, that her material and productive contributions to society are disconnected from her larger social surroundings so that she cannot see how the former connects to the latter. It is this disconnect that accounts for what Smith calls her ignorance and "stupidity"—not her personal moral or intellectual failings.

Since the productive advantages and social disadvantages of the division of labour are rooted in the same principle of specialization, there is little sense in addressing one without the other. In other words, there is little sense in addressing the division of labour in economic terms (i.e. in terms of its productive output) without simultaneously examining its effects on the organization of social and political power. In the final analysis, the two are distinct expressions of the same larger social phenomenon. I believe that Smith leaves the door open to examine the division of labour from the lens of political theory in Book V of WN since he essentially defines the function of the political system in 'commercial societies' as mitigating the adverse social effects of its corresponding economic system. This is not to say that Smith's conception

of division of labour should be examined solely from the lens of political theory but rather, that it should be read as a social and political phenomenon to the same degree that it is interpreted as an economic phenomenon. As already stated in the introduction, this means treating the division of labour not only as a technical instrument to increase wealth-production but also, as a political mode of organization that determines the degree to which people have access to the public sphere—the more people are trapped in their menial and repetitive economic tasks, the more limited and superficial their access to the public sphere and vice-versa.

Regrettably, scholarship on Adam Smith has generally been slow to read his conception of the division of labour as a *political* phenomenon. Prior to the publication of the Glasgow edition of the complete works of Adam Smith in 1976, the dominant trend among scholars was to treat the productive advantages of the division of labour as a separate topic from its social disadvantages. As a result, Adam Smith's conception of the division of labour was treated as a purely *economic* phenomenon; one where the term 'economic' specifically referred to the *production* of wealth as opposed to its (*re-*)*distribution* or *consumption*. In other words, the focus was on Book I of WN. Book V, by contrast, was treated as something of an anomaly; a jumbled mix of reflections on public finance and political sociology with little relevance beyond specific instances where Smith underscores when government should intervene in the affairs of the market. Smith's political theory was largely reversed-engineered from that position and thus, reduced to specific forms of government intervention in the market. After 1976, the prevailing scholarship begins to challenge this reversed-engineered conclusion by calling attention to Smith's larger social theory (of which his economics is but a single branch). However, it leaves the same premise intact—i.e. that the productive advantages and social disadvantages of the division of labour ought to be treated separately—by analysing Smith's politics *everywhere but in his economics*. Some more recent works examine Smith's politics through his 'science of the legislator' (Cohen, 1989; Haakonssen, 1981; Hanley, 2008; McNamara, 1998; Winch, 1983), others focus on his 'principles of government' (Winch; 1978), and a few more concentrate on his moral project in TMS (Hanley; 2009) and/or his ideas on 'public spirit' more specifically (Long; 2006). Few, however, delve directly into the political implications of the division of labour, choosing instead to use Smith's 'moral' or 'jurisprudential' arguments as a political solution to *explain away* the economic problems of 'commercial societies'.

While recent works on Smith have succeeded in expanding his conception of politics beyond government intervention in market affairs, they cede too much ground to earlier

scholarship which treats the division of labour as an exclusively *economic* phenomenon. For the most part, these works reproduce the categorical separation between Smith's politics and his economics—choosing to examine his politics where his economic theory does not immediately come into play—by tacitly accepting that the productive advantages of the division of labour belong to a different realm than its corresponding social disadvantages. The goal of this chapter is to dismantle that separation in order to reintroduce politics in Smith's economic theory. To begin, I will return to the erroneous impression that Smith views the division of labour as a purely economic phenomenon in order to challenge it *on its own terms*. Afterwards, I will juxtapose Smith's analysis of the productive advantages of the division of labour in Book I of WN to his exploration of its social disadvantages in Book V to suggest that they cannot be treated separately from one another. Finally, I will begin to unravel the political implications of the division of labour in preparation for the following chapters.

1.1. *On the Idea of Separating the Productive Advantages and Social Disadvantages of the Division of Labour in the Secondary Literature*

Among the secondary literature, there is little material which explicitly focuses on the connection between the productive advantages and social disadvantages of the division of labour. This is best exemplified by the fact that very few scholars explicitly emphasize the link between Smith's account of the productive benefits of the division of labour in Book I of WN and his historical analysis of public expenditure in Book V. Since Smith's historical analysis in Book V highlights what Joseph Schumpeter calls his 'political sociology', the belief that its contents are disconnected from those of Book I fuels the false impression that Smith's politics are generally disconnected from his economic theory. But while this impression may appear true in a formal sense, it ultimately belies the fact that Smith believes that mitigating the social drawbacks of the productive (read: economic) elements of the division of labour is a *political* responsibility. Otherwise, he would not call on government to intervene to redress the "excesses" of the market.

There are numerous examples of scholars maintaining a categorical separation between the productive advantages and social disadvantages of the division of labour among the secondary literature. I propose to examine three examples to better illustrate this trend: Joseph Schumpeter's, Samuel Hollander's and E.G. West's.

1.1.1. *On the Treatment of Smith's Division of Labour in Schumpeter, Hollander, West, etc.*

In the second part of his *History of Economic Analysis* (1954), Joseph Schumpeter provides a brief reader's guide to Adam Smith's WN in order to highlight its singular place in the pantheon of what would later be called the field of "classical economics". To that effect, he clearly and succinctly summarizes the economic division of labour in Book I:

The first three chapters of Book 1 deal with Division of Labour. We are in the oldest part of the building, the part already completed in the Draft [...] [t]here is nothing original about [this part of the Draft], [although] one feature must be mentioned that has not received the attention it deserves: nobody, either before or after A. Smith, ever thought of putting such a burden upon division of labor. With A. Smith it is practically the only factor in economic progress. Alone it accounts 'for the superior affluence and abundance commonly possessed even by [the] lowest and most despised member of Civilized society, compared with what the most respected and active savage can attain to' in spite of so much 'oppressive inequality'. Technological progress, 'invention of all those machines'—and even investments—is induced by it and is, in fact, just an incident of it.

Division of labor itself is attributed to an inborn propensity to truck and its development to the gradual expansion of markets—the extent of the market at any point of time determining how far it can go (ch. 3). It thus appears and grows as an entirely impersonal force, and since it is the great motor of progress, this progress too is depersonalized. (Schumpeter: 1954; 182)

Unfortunately, Schumpeter was not able to finish the reader's guide before his death—his treatment of WN ended before chapter five of Book II on the different employments of capital and never reached Book V or Smith's historical assessment of public expenditure. We do not know for certain whether Schumpeter would have noted the connection between the economic and political divisions of labour if he had finished his reader's guide, but his unfinished commentary on Book V leads the reader to believe that he would not have:

There are five Books. The fifth and longest [...] is a nearly self-contained treatise on Public Finance and was to become and to remain the basis of all the nineteenth-century treatises on the subject until, mainly in Germany, the 'social' viewpoint—taxation as an instrument of reform—asserted itself. The length of the book is due to the masses of material it contains: its treatment of public expenditure, revenue, and debts is primarily historical. The theory is inadequate, and does not reach much below the surface. But what there is of it is admirably worked in with the reports on general developments as well as on individual facts. Further facts have been amassed and theoretical technique has been improved but nobody has to this day succeeded in welding the two—plus a little political sociology—together as did A. Smith. (Ibid; 181)

That Schumpeter considered Book V as a self-contained treatise on public finance with a little political sociology interspersed in-between the arguments, suggests that the connection between economics and politics in WN would not have caught his attention more than necessary. As such, there is little reason to believe that Schumpeter would have treated Smith's politics on the same footing as his economic theory.

The same general pattern emerges in Samuel Hollander's *The Economics of Adam Smith: Studies in Classical Political Economy* (1973)—another sort of economic reading guide as it were. Like Schumpeter, Hollander does not cast much attention on the contents of Book V. The most consistent discussion of public expenditure and politics is found in chapter eight under the headings 'Government intervention in economic development', 'Government and the labour market', and 'Alternative policy objectives'. All told, Hollander's treatment of these topics spans no more than ten pages, including a brief summary towards the end of the chapter. These topics are visited so briefly that Hollander largely confines his attention to listing the instances in which Smith foresees the need for government to intervene in the affairs of the market. As such, Hollander never analyzes the connection between the social advantages of the division of labour discussed in Book I, and their corresponding social disadvantages raised in Book V. The result is that Hollander unwittingly presents the negative social impacts of the economic division of labour (which are to be mitigated by public expenditure and government intervention) as if they were something of an afterthought for Smith instead of the flipside of (and a necessary counterpoint to) his economic analysis. Likewise, there is no discussion of the political costs of the division of labour—i.e. the degrading 'moral', social and intellectual conditions of the 'labouring poor' who not only form the majority of the citizen-body but also, whose well-being is essential to the overall "health" of the *politeia*.

Hollander is not the only theorist to present Smith's analysis in Book I and Book V of WN as if they were separate: Edwin George West develops the same general idea in "Adam Smith's Two Views on the Division of Labour" (1964). As the title of the work suggests, West contends that Smith develops two distinct definitions of the division of labour; the first in Book I of WN from an economic point of view and the second, in Book V from a sociological point of view. According to West, these definitions make seemingly contradictory or incompatible statements about the division of labour; the first, that workers become slothful and lazy without it and the second, that they become stupid and ignorant with it. (West: 1964; 26) From this observation, West ultimately concludes that Smith's original definition of the division of labour in Book I may have arisen from "his ardour for philosophical, scientific, and cultural pursuits,

together with his theories about them” which “gave him an excitement and a message he wished to share with others.” (Ibid; 31) By contrast, his definition in Book V would have arisen from “frustration at the sight of persons of listless and apathetic disposition” (Ibid; 31)—persons congregating in rapidly growing towns whose impersonal living conditions make it easy to sink, as Smith writes in WN, to “low profligacy and vice.” (Smith: 1827; 333) According to West, Smith’s frustrations would have led him to develop a sociological point of view on the factory system which was at odds with his earlier economic analysis of the division of labour. (West: 1964; 32)

Although West’s argument predates Hollander’s economic analysis of Adam Smith’s thought, it perfectly encapsulates what Schumpeter and Hollander imply: that the division of labour which increases wealth-production is one thing, and the division of labour which increases the worker’s social and political isolation is another altogether. The first thing falls within the self-contained jurisdiction of economics and the second, of ‘political sociology’ or ‘sociological analysis’ (depending on the parlance). Again, the underlying problem with this argument is that it ignores the fact that Smith attributes both the increase of wealth-production and the social/political isolation of the ‘labouring poor’ *to the same general principle of specialization* in ‘commercial societies’. As a result, the argument incorrectly implies that Smith’s economic thought is, or at the very least ought to be, entirely devoid of his political or ‘sociological’ concerns and vice-versa. In other words, the argument assumes that there is nothing political about Smith’s conception of the economic division of labour. The corollary to that assumption, then, is that there should not be anything particularly economic about Smith’s treatment of politics either and therefore, that his calls for government intervention in the “affairs of the market” should not compromise the supposed integrity of the economic sphere. Government intervention, then, should not focus on redressing the average working conditions of the ‘labouring poor’ so much as it ought to address the social factors outside of work that make it easy for people to become listless, apathetic, or to otherwise sink to ‘low profligacy and vice’—factors like the ‘impersonal living conditions of rapidly growing towns’, for instance. By ignoring the connection between the wealth-producing and politically-isolating dimensions of the division of labour, this line of thinking struggles to acknowledge that Smith develops his economic and political theory as natural counterpoints to one another in order to examine the division of labour as an even broader social phenomenon.

As a final note on this topic, I want to recognize that some scholars have returned to Smith’s oft-neglected account of public expenditures in Book V of WN (Samuelson, 1958; Gee,

1968; Jha, 1995) despite the widespread belief that this account is subordinate to his economic analysis in Book I. But often, the ultimate goal of revisiting Smith on this account is to underline how the field of public expenditure has significantly evolved since Smith's time. There is no systematic attempt to reconcile Smith's ideas on public expenditure to his economic analysis, to say nothing of his broader political theory. As such, these scholars continue to operate under the assumption that Smith developed his conception of government intervention and by extension politics, separately from his economic analysis in Book I.

1.1.2. Challenging Schumpeter's, Hollander's and West's Assumptions of the Division of Labour with (and Against) Rosenberg

As a direct challenge to E.G. West, Nathan Rosenberg writes "Adam Smith on the Division of Labour: Two Views of One?" (1965) in which he argues that Smith's seemingly contradictory viewpoints on the division of labour are, in fact, compatible. The crux of his argument rests on a point of Smith's 'political sociology' in Book V of WN that West neglects: that, as the division of labour progresses throughout history, societies reach greater levels of complexity while the tasks performed by its individual members become increasingly narrow. Here, the social conditions for individual members of 'labouring poor'—no matter how lamentable they might appear—do not invalidate society's overall progress but, on the contrary, are coextensive with it. West's error is to isolate what appears to be the most outrageous conditions caused by the division of labour from the overall benefits that go hand in hand with them:

But though Smith visualized the worker as becoming increasingly stupid and ignorant as a result of further division of labour, there is no reason to believe that this was necessarily inconsistent or incompatible with the possibilities for continuing technical progress and invention. This, in fact, brings us to a major point of this article. Smith looked upon the growing division of labour as a process which had not only a historical but necessarily also an important social dimension. Therefore, to concentrate solely on the impact of the division of labour upon the working class leads to the adoption of a very partial and misleading view of the economic and social consequence of division of labour. This can be seen most forcefully if we look at the changing structure of the social division of labour as a society moves from a primitive to a civilized condition. (Rosenberg: 1965; 134)

Rosenberg's argument clearly illustrates how Smith is concerned with the same general phenomenon when he addresses the productive advantages and social disadvantages of the division of labour. In other words, he rightly observes that Smith attributes the economic,

social and political effects of the division of labour to the same underlying principle of specialization. In that, Rosenberg's argument provides a clear path forward for this dissertation to avoid the same pitfalls as E.G. West and by extension, those of Schumpeter's and Hollander's narrow interpretation of Smith.

Despite its merit, Rosenberg's treatment of the division of labour in his article is beset by its own pitfall, if only implicitly. By claiming that the depreciating 'moral' and social conditions of individual workers do not invalidate the overall progress of society without developing the point further, Rosenberg's argument can be interpreted as suggesting that the wealth-producing benefits of the division of labour compensate for its social drawbacks in the grand scheme of things. But this interpretation of Smith's political-economy would ultimately be mistaken on two counts. Firstly, it would ignore the high degree of importance Smith places on individual "self-interest" in both his economic and political theory by downplaying the extent to which the average 'moral' and social conditions of the 'labouring poor' negatively affect their ability to recognize and defend their own interests in 'commercial societies'. As we have seen in our treatment of his 'science of the legislator', Smith places a high philosophical premium on individual "self-interest" because he believes that a robust *politeia* achieves meaningful public action by working *with* individuals—not *on* them. But if the conditions of working individuals are treated as subordinate to overall markers of social progress, then the individual's ability to actualize her "self-interest" also becomes secondary to more impersonal metrics for social stability and growth (like technical progress that increases overall efficiency in the economic, social and political spheres). As a general rule, Smith is suspicious of these metrics. In his 'science of the legislator' and critique of the 'man of system', he recognizes that larger social institutions like the State tend to impose their own internal logic onto the 'principle of motion' that governs all individuals inwardly. If individuals are incapable of actualizing themselves or of reaching a minimal 'moral standard', then they will be unable to effectively resist this tendency among larger social institutions and will thus become entirely absorbed within the gears of their machinery. In that case, institutions will work *on* individuals as if they were a resource to fuel their own internal logic; as if, in other words, individuals were nothing but an object of total administration. Smith's insistence of "self-interest" and likewise, on its corresponding notion of 'public spirit' in TMS, is meant to act as a safeguard against this exact outcome. It is meant to emphasize the individuals' own 'principle of motion' because the internal logic fuelling larger social institutions like the economy or the State are too narrow to guarantee social stability and

growth in and by themselves. As seen from a more political standpoint, Smith is asserting that every individual's 'moral' responsibility is to actualize this 'principle of motion' in order to make public, or at the very least visible, what is universally necessary to wellbeing, stability and growth but that larger social institutions ignore through the narrow scope of their own internal logic. Focusing on overall markers of "social progress", like Rosenberg can be interpreted as doing, ignores this very important safeguard on which Smith places such a high premium.

Secondly, Rosenberg's idea of "social progress" implies consistent forward momentum towards a desirable social destination. Applied to Smith's concept of the division of labour, this idea of "progress" not only suggests that the wealth-producing benefits of 'commercial societies' outweigh their social drawbacks but also, that they consistently steer 'commercial societies' towards the right outcomes over time. From this perspective, Rosenberg can still claim that the negative effects of the division of labour on individual workers produces bad or regrettable outcomes for specific individuals, but only insofar as those outcomes are part of a larger narrative on society's overall trajectory towards greater stability and growth. In that, Rosenberg promotes an optimistic vision of Smith's overall system of thought which belies his social and political concerns about the 'labouring poor' no longer being able to fulfill 'the ordinary duties of their private and public lives'⁶. Rosenberg certainly maintains the tension between wealth-production and social/political isolation in

⁶ There are a few works that challenge this "optimistic" view of Smith. Of these, I would like to highlight two: Josep Cropsey's (1957) *Polity and Economy: An Interpretation of the Principles of Adam Smith* and Robert Heilbroner's (1973) "The Paradox of Progress". Generally, Cropsey argues that Smith found considerable difficulty in reconciling polity and economy in light of his criticisms of 'commercial society'. From this standpoint, he follows suit by demonstrating that Smith viewed commerce as a poor substitute for virtue, but that he could suggest no better alternatives to redress the negative effects of commerce because 'commercial societies' had become too well-entrenched to dislodge. In light of this fact, Cropsey suggests that it is appropriate to view Smith as a cautious advocate of capitalism since it is the most practical option as a system to enforce the values and principles of a free society. For its ability to generate freedom and civilization, then, Smith is pigeonholed into the position that commerce should be embraced despite its defects. (Cropsey: 1957; p.95)

Robert Heilbroner (1973), for his part, writes "The Paradox of Progress" to highlight something that he believes many Smith scholars tend to neglect in his philosophic and historic vision: Smith's profound "pessimism" concealed within his economic and social scheme of evolution. (243) Heilbroner then outlines the root of that pessimism: "[...] many writers have noted that Smith's grand trajectory of economic development terminates in a stagnant as well as stationary state, and recently attention has been focused on Smith's recognition of "alienation" as an integral part of commercial society.¹ To the best of my knowledge, however, these two strands of Smith's exposition have not been tied together to yield the disconcerting but inescapable judgment that Smith's economic and social philosophies are ultimately indefensible in terms of one another. For the disturbing import of *The Wealth of Nations*, taken in its entirety, is that it espouses a socio-economic system that can find its justification neither in the promise of continuous economic betterment nor in the prospect of general social betterment. Instead we are faced with the deeply pessimistic prognosis of an evolutionary trend in which both decline and decay attend-material decline awaiting at the terminus of the economic journey, moral decay suffered by society in the course of its journeying." (*Ibid*; 243)

Smith's conception of the division of labour, but he ultimately resolves that tension in favour of economic growth and progress too quickly to fully appreciate its rich subtext. And the subtext is this: in order for wealth-production and social/political isolation to develop side by side, the positive elements of the division of labour cannot erase or cancel the negative ones. This also means that positive elements of the division of labour invariably become ever more disconnected from how people actually live their lives the more they and their corresponding negative elements grow side by side over time. In this sense, Smith's analysis of the division of labour as a broader social phenomenon is not framed by a narrative of progress, but one of *crisis* that he is desperately hoping to manage. Smith may personally believe that his system of thought manages this crisis successfully, but his belief is secondary to whether his intellectual tool-kit is actually capable of solving the crisis it identifies. For that, we cannot take Smith or Rosenberg at their most optimistic words. We must revisit the tool-kit for ourselves to see if it delivers on the task for which it is used.

In this chapter, I endeavour to approach Smith's concept of the division of labour alongside the merits of Rosenberg's article, but against its pitfalls as well. More specifically, I will treat the productive advantages and social disadvantages of the division of labour as belonging to the same overall social phenomenon. However, I will do this without inscribing this phenomenon into a narrative of social progress or by reducing it to easily quantifiable metrics associated to that progress (like technical progress and invention, for instance).

1.2. *Book I of WN: Understanding the Productive Advantages of the Division of Labour*

Of Adam Smith's collected works, the productive advantages of the division of labour are addressed most clearly within Book I of WN. They are originally mentioned in LJ delivered at the University of Glasgow in 1762-3, under the heading "Police". However, they appear in their most polished form in WN as a direct answer to Smith's general inquiry in that work.

At its most fundamental level, WN is a general inquiry into the origins and causes accounting for the marked increase in the production of wealth among some European nations at the time of Smith's writing. The work is divided into five books, but the reader need not look much further than Book I to find a serviceable outline of Smith's answer to the inquiry: Smith attributes the increase in wealth-production to the division (and subsequent specialization) of labour. As labour is divided into more and more specialized tasks, Smith observes that labourers are able to accomplish more tasks over a workday than if they were responsible for

overseeing multiple steps of the production process. By assigning each specific step in the production process to a different worker (or group of workers), companies are able to make more of their products for the same cost and consequently, to make those products more available on the marketplace. For subsequent economists, Smith's observation is regarded as proof that specialization in production allows for economies of scale that improve efficiency and growth. It proves, in other words, that when businesses increase their scale of operation, the cost of their products tends to decrease per unit. For Smith in particular, however, this proof is secondary in many ways to the general subtext of his observation: that wealth is better measured by the productive powers (or output) of the economy as a whole than it is by the cost of products per unit. When these productive powers are unlocked by the division and specialization of labour, wealth increases overall. Here, it is especially important to bear in mind that for Smith, marked increases in wealth ought to be measured by an increase in the overall wellbeing of *nations*. His work, after all, is entitled the *Wealth of Nations* and not the *Wealth of Businesses* or even the *Wealth of Consumers*.

But this is only a broad overview of the most general elements of division of labour. It overlooks important details explaining how it unlocks the productive powers of the economy as a whole, and how it is connected to a general increase in wealth. In order to bring these details to the fore, I will examine the first three chapters of Book I since they specifically underscore the “economic” components of the division of labour.

1.2.1. *Book I, Chapter One: The Three Propositions on the Productive Advantages of the Division of Labour*

The first chapter of Book I opens with Smith's answer to the question ‘what are the origins and causes of the increase in the wealth of nations?’ As far as Smith is concerned, the causes are primarily attributable to division of labour and its effects:

The greatest improvements in the productive powers of labour, and the greater part of their skill, dexterity, and judgement, with which it is anywhere directed, or applied, seem to have been the effects of the division of labour. (Smith: 1827; 2)

Smith supports his answer by way of empirical illustration. Using the business of pin making as his example, he highlights what the division of labour is, as well as its positive impact on the productive capacities of the pin manufacture:

But in the way in which this business [pin-making] is now carried on, not only the whole work is a peculiar trade, but it is divided into a number of branches, of which the greater part are likewise peculiar trades. One man draws out the wire; another straightens it; a third cuts it; a fourth points it; a fifth grinds it at the top for receiving the head; to make the head requires two or three distinct operations; to put it on is a peculiar business; to whiten the pins is another; it is even a trade by itself to put them into the paper; and the important business of making a pin is, in this manner, divided into about eighteen distinct operations, which, in some manufactories, are all performed by distinct hands. I have seen a small manufactory of this kind, where ten men only were employed, and where some of them consequently performed two or three distinct operations. But though they were very poor [...] they could [...] make among them [...] upwards of forty-eight thousand pins. Each person, therefore making a tenth part of forty-eight thousand pins, might be considered as making four thousand eight hundred pins in a day. But if they had all wrought separately and independently [...] they certainly could not each of them have made twenty, perhaps not one pin in a day; that is, certainly, not the two hundred and fortieth, perhaps not the four thousand eight hundredth, part of what they are at present capable of performing [...] (Ibid; 3)

The example provides a clear illustration of what the division of labour is: the assignment of different and increasingly specialized parts of an economic process to different people in order to improve efficiency. In the case of Smith's example, the assignment of different economic tasks to different people is evidenced by the fact that the worker who draws the wire is different from the one who straightens it or the one who cuts it, etc. Similarly, Smith addresses the increase in efficiency when he asserts that workers who specialize in one or two distinct operations in the pin manufacturing process are able to perform more work than if they single-handedly had to produce pins from start to finish. But why exactly does this increase in efficiency take place? Drawing on the foundations of previous example, Smith makes three specific propositions explaining why the division of labour unlocks ever greater productive capacities:

This great increase in the quantity of work which, in consequence of the division of labour, the same number of people are capable of performing, is owing to three different circumstances; first, to the increase of dexterity in every particular workman; secondly, to the saving of the time which is commonly lost in passing from one species of work to another; and lastly, to the invention of a great number of machines which facilitate and abridge labour, and enable one man to do the work of many. (Ibid; 4)

The first proposition concerns the worker's dexterity. The more specialized the worker's task within a given economic process, the fewer tasks on which she has to concentrate. The fewer tasks on which she has to concentrate, the more she can focus on those that remain. And the more she can focus on her remaining tasks, the more she improves her dexterity: "[...] the division of labour, by reducing every man's business to some one simple operation, and by making this operation the sole employment of his life, necessarily increases very much the dexterity of the workman." (Ibid; 4) Improved dexterity translates to improved efficiency in turn, since increasing one's skill in performing specific tasks suggests that less time is needed than before to perform them.

The second is that the specialization of labour reduces the amount of time the worker loses in changing from one task to another. To outline this point, Smith contrasts the worker operating under a modern division of labour to the traditional country weaver who loses a significant amount of productivity by periodically moving between work tasks. The result: the modern worker is efficient and productive, while the country weaver is slothful, indolent and wasteful of her productivity:

A country weaver, who cultivates a small farm, must lose a good deal of time in passing from his loom to the field, and from the field to his loom. When the two trades can be carried on in the same workhouse, the loss of time is, no doubt, much less. It is, even in this case, however, very considerable. A man commonly saunters a little in turning his hand from one sort of employment to another. When he first begins the new work, he is seldom very keen and hearty; his mind, as they say, does not go to it, and for some time he rather trifles with than applies to good purpose. The habit of sauntering, and of indolent careless application, which is naturally, or rather necessarily, acquired by every country workman who is obliged to change his work and his tools every half hour, and to apply his hand in twenty different ways almost every day of his life, renders him almost always slothful and lazy, and incapable of any vigorous application, even on the most pressing occasions. Independent, therefore, of his deficiency in point of dexterity, this cause alone must always reduce considerably the quantity of work which he is capable of performing. (Ibid; 4)

Here as in the first proposition, the time saved in changing from one task to another also translates to a net increase in efficiency. Furthermore, it has a compound effect on the worker's dexterity because it reduces the amount of time where she is not required to concentrate on her specific economic tasks.

The third is that the division of labour encourages the invention of various machines abridging and facilitating work. From this standpoint, Smith then observes that with these newly invented machines, “[...] men are much more likely to discover easier and readier methods of attaining any object, when the whole of their attention of their minds is directed towards a single object, than when it is dissipated among a great variety of things.” (Ibid; 5) Much like the time saved in changing from one operation to the next, the mechanization of labour also implies a net increase in productivity and also has a compound effect on the worker’s dexterity.

Together, these three propositions form the reasons why the division of labour is able to increase the productive output of those economic operations where it is applied. Although Smith only provides one specific example to support his case (i.e. the pin manufactory), he nevertheless recognizes that the division of labour can be applied to every sector of the economy to varying degrees: “[t]he division of labour [...] so far as it can be introduced, occasions, in every art, a proportionable increase in the productive powers of labour.” (Ibid; 3) The reader is thus left to infer that wealth generally increases among nations when a sufficiently large proportion of economic processes apply the division of labour to their operations to ever greater degrees.

1.2.1.1. *Opulence and the Advantages of Greater Productivity*

Thus far, Smith has demonstrated how the division of labour unlocks the *productive capacities* of the economy but he has not yet addressed how increases in productivity are *advantageous*. Shortly after his three propositions, he does. According to Smith, the economic productivity unlocked by the division of labour is conducive to a general increase in people’s material well-being:

It is the great multiplication of the productions of all the different arts, in consequence of the division of labour, which occasions, in a well-governed society, that universal opulence which extends itself to the lowest ranks of the people. Every workman has a great quantity of his own work to dispose of beyond what he himself has occasion for; and every other workman being exactly in the same situation, he is enabled to exchange a great quantity of his own goods for a great quantity or, what comes to the same thing, for the price of a great quantity of theirs. He supplies them abundantly with what they have occasion for, and a general plenty diffuses itself through all the different ranks of the society. (Ibid; 5)

There is perhaps no better passage to encapsulate what Smith understands by the advantages of increased productivity than the above. Here, the division of labour and well governed

distribution of its productive powers allows the ‘labouring poor’ to trade a greater proportion of their labour for commodities on the market, and to benefit from this trade by purchasing commodities made by the increasingly specialized labour of other workers. In this way, Smith believed, “a general plenty diffuses itself through all the different ranks of the society.” (Ibid; 9) This ‘general plenty’, which Smith also characterizes as ‘universal opulence’ in other passages, suggests that the commodities consumed by the ‘labouring poor’ contain the labour of a greater number of other workers in society, thereby allowing each worker to enjoy a more diverse array of commodities than they would be able to produce individually and for themselves. The more diverse the array, the greater the benefit to the worker who exchanges a portion of her labour for commodities on the market.

At this juncture, Smith expresses the productive advantages of the division of labour in *net* or *absolute* terms. The labourer’s conditions are vastly improved compared to what they would have been in past historical periods because the commodities she purchases on the market command the labour of an ever greater army of workers; and because the workers whose labour she commands through the purchase of a commodity are ever more specialized and therefore, command an ever greater degree of expertise. The result is a *net* increase of wealth insofar as the goods and services provided on the market are always subject to ever greater improvements from the ever greater division and specialization of labour, thereby allowing even the poorest worker to benefit from improvements that would not have been available to her a hundred, if not fifty or twenty years prior. Smith highlights this net increase in the individual well-being of workers in the final paragraph of the first chapter:

Observe the accommodation of the most common artificer or day-labourer in a civilized or thriving country, and you will perceive that the number of people, of whose industry a part, though but a small part, has been employed in procuring him this accommodation, exceeds all computation. The woollen coat, for example, which covers the day-labourer, as coarse and rough as it may appear, is the produce of the joint labour of a great multitude of workmen. The shepherd, the sorter of wool, the wool-comber or carder, the dyer, the scribbler, the spinner, the weaver, the fuller, the dresser, with many others, must all join their different arts in order to complete even this homely production. How many merchants and carriers, besides, must have been employed in transporting the materials from some of those workmen to others who often live in a very distant part of the country? [...] What a variety of labour, too, is necessary in order to produce the tools of the meanest of those workmen! [...] if we examine, I say, all these things and consider what a variety of labour is employed about each of them, we shall be sensible that, without the assistance and co-operation of many thousands, the very

meanest person in a civilized country could not be provided, even according to, what we very falsely image, the easy and simple manner in which he is commonly accommodated. (Ibid; 5)

and he concludes by measuring this increase in terms of the historical progress of wealth, albeit by using bigoted language:

Compared, indeed, with the more extravagant luxury of the great, his accommodation must no doubt appear extremely simple and easy; and yet it may be true, perhaps, that the accommodation of an European prince does not always so much exceed that of an industrious and frugal peasant, as the accommodation of the latter exceeds that of many an African king, the absolute masters of the lives and liberties of ten thousand naked savages. (Ibid; 6)

The core of Smith's argument does not need to stand on his racist prejudices to arrive at its general conclusion when formulated differently: the present-day economic disparities between the wealthy and the labouring poor pale in comparison to the disparity between the present-day 'labouring poor' and the wealthiest classes of past eras. This is precisely what accounts for a net or absolute increase in well-being and therefore, it is the standard by which Smith measures the productive advantages of the division of labour in the first three chapters of Book I. The argument itself is controversial⁷, but there is no doubt that it is the original

⁷ Here, Smith's argument presupposes that the wealth-gap between the 'frugal European peasant' and the 'African king' is more important than the one between the 'frugal European peasant' and the 'European prince'. And in the context of Smith's opening arguments in Book I of WN, it is: the gap between the 'frugal European prince' and 'African king', although poorly thought-through, is meant to highlight how there has been a net or absolute increase in the production of material wealth at the time of Smith's writing. The gap is meant to showcase this net increase by demonstrating how even one of the most common peripheral figures of European society—the peasant—has seen significant improvements to her quality of life even if her position in society usually means that she is one of the last to benefit from increased wealth. And so, if the positive effects of the division of labour succeed in reaching *even her*, it is a good indication that there has been a net and overall increase in wealth. It is that observation that then allows Smith to inquire on what the source of that increase is, which is the primary topic of WN. To illustrate his point more clearly, Smith would have been better served to compare the state of European peasants of his own time to that of their ancestors instead of the material conditions of 'African kings', which can lead to the false and racially-charged conclusion that the increase in wealth among some European nations of Smith's time is racially-predicated.

The controversial element to this argument is that taken in a vacuum, the argument easily leads to the false conclusion that the poor's gradually improving material conditions over time and in *net* terms is *always* a more important indicator of material prosperity than the growing disparity between the rich and poor in society. This conclusion, however, is false not only because it is categorically untrue but also because it is not representative of Smith's thought: in TMS, for instance, Smith spends several sections analyzing the deleterious consequences of the disparity between rich and poor on our moral sentiments and on the structure of authority and politics in society (see: Part I, section iii, chapters 2 and 3 more notably). In LJ, there is a section entitled 'Of the Influence of Commerce on Manners' in his lectures on police in which he explores what happens to society when the labouring poor fall below certain working and other material conditions. Smith will later reprise the ideas in this section in Book V of WN and more notably, in the passage I cited in my introduction wherein he critiques the negative social effects of the division of labour. These three examples represent instances where Smith would undoubtedly argue that the gap between the 'frugal European peasant' and the 'European prince' is far more important than the one between the peasant and her ancestors.

measure by which Smith originally expresses the productive advantages of the division of labour to his reader, which he sees as a necessary condition to the wealth of nations more generally.

1.2.2. *Book I, Chapter Two: On Human Nature and the Division of Labour*

In the first chapter, Smith addresses the root *causes* for the increase of wealth among nations. In chapter two, he addresses their *origins* and thus, pursues his general inquiry. Here as in chapter one, Smith is equally unambiguous: whereas the causes of the wealth of nations are attributable to the division of labour and its effects, its origins are rooted in human nature and more specifically, in a certain innate human propensity to truck, barter, and exchange one thing for another:

The division of labour, from which so many advantages are derived, is not originally the effect of any human wisdom, which foresees and intends that general opulence to which it gives occasion. It is the necessary, though very slow and gradual, consequence of a certain propensity in human nature, which has in view no such extensive utility; the propensity to truck, barter, and exchange one thing for another. (Ibid; 6)

Smith is uninterested in assessing whether this propensity is an originating principle of human nature, or whether it naturally develops as a necessary consequence to our faculties of reason and speech. But whatever the case may be, the argument is effectively the same: the division of labour finds its origins within the deep-seated human impulse to trade. And this impulse is strongly connected to the notion of self-interest:

In a civilized society [man] stands at all times in need of the co-operation and assistance of great multitudes, while his whole life is scarce sufficient to gain the friendship of a few persons. [...] man has almost constant occasion for the help of his brethren, and 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, and shew them that it is for their own advantage to do for him what he requires them. Whoever offers to another a bargain of any kind, proposes to do this. Give me that which I want, and you shall have this which you want, is the meaning of every such offer; and it is in this manner that we obtain from one another the far greater part of those good offices which we stand in need of. (Ibid; 6)

This passage is immediately followed by the famous butcher, brewer and baker analogy which I cite in the introduction as support for Smith's notion of rational self-interest. It commonly leads to a false conclusion wrongly attributed to Smith instead of the reader's misunderstanding of his argument: if trade is an expression of human nature and self-interest is

an expression of trade, so the argument goes, then self-interest is an expression of human nature. But if we read Smith carefully, this is not exactly the case: while he does indeed consider trade to be an expression of human nature, self-interest is the *standard* by which that nature is expressed in a society where individuals rely on the labour of more workers than they can make friends. Self-interest becomes the only reliable standard for trade in such a society because it has become too complex and impersonal to express the “natural” impulse to trade in any other way. If, however, we imagine a society small enough for individuals to rely only on the work of those with whom they have a personal connection, then the standard by which to express human nature changes. And in that context, we would be more likely to find individuals “trading” out of “benevolence” instead of rational self-interest. Smith is aware of this and his reflections on the historical development of societies in relation to the progress of wealth in LJ as well as Books III and V of WN, testify to that awareness—he observes past societies in which this was more or less the case, and tacitly remarks how their social, economic, and political structures did not rest so heavily on rational self-interest⁸. In any case, these reflections show that Smith separates the *form* and the *content* of human nature. The form changes alongside society and historical circumstance; it changes as the specific physical and material conditions of the individual shape how she can apply power to perform the tasks by which she pursues her own good in whatever way she best sees fit. The content, however, is more akin to what we would call a drive. It corresponds to the place in the individual’s inner life where she hears the voice of nature and listens to the task which it sets for her. When Smith highlights the *origins* of wealth and the division of labour, he is thus attempting to explain how the *content* of human nature has gradually brought human beings to express it in its current *form*. In other words, Smith is attempting to explain how the innate propensity to trade leads human beings to the productive advantages unlocked by the division of labour.

As Smith states at the beginning of this chapter, the “natural” human impulse to trade is “[...] not originally the effect of any human wisdom”. (Ibid; 6) Smith implies that this impulse

⁸ In the section of LJ entitled “Of the Nature of Government and its Progress in the first Ages of Society”, for instance, Smith notes that in the earliest pastoral societies, the fabric of society was kept intact by authority more than individuals freely pursuing their self-interest. Poor shepherds would enlist their services to their rich counterparts and gain economic protections in exchange for their economic and political allegiance. This suggests that the economic protections and livelihood of the poor shepherds rested more on obedience than personal utility-maximization. In the following section, entitled ‘How Republican Governments were Introduced’, Smith explains how the gradual development of arts and manufactures created material conditions that began to erode the rich’s authority over the poor, and thus allowed to utility and the pursuit of interest to play a bigger role in government of society. The remaining sections on public jurisprudence underscore how different periods of European history have alternated between authority and utility (i.e. the pursuit of interest) as the dominant principles of government in society.

is not deliberate insofar as it does not consciously intend to produce the advantages it nevertheless does. Rather, the productive advantages unlocked by human activity are the necessary, albeit haphazard, by-product of “natural” human impulses. But insofar as these impulses gradually lead to the productive advantages of the division of labour, Smith concludes that they should be allowed to freely run their course. If we begin to tamper with them in the hopes of deliberately improving on their effects, we would therefore be more likely to endanger the effects than to improve the impulses. Here, Smith endeavours to tell us something more about the productive advantages of the division of labour: the general foundations of the process by which those advantages accrue are self-generating in the right conditions and therefore, naturally occurring. In order to unlock those advantages, then, we must not only consider their causes but also, the conditions under which their underlying process can self-generate. The quasi-providentialist notion of the ‘invisible hand’ as well as the foundations for Smith’s critique of mercantilism in Book IV, find their basis in this argument.

1.2.3. Book I, Chapter Three: The Productive Advantages of the Division of Labour and the Market

Having already discussed the causes for the wealth of nations in chapter one as well as their origins in chapter two, there is no pressing need to examine chapter three extensively. After all, we have already provided an outline of Smith’s answer to his general inquiry. However, there are still two points worth mentioning in this chapter. Firstly, Smith outlines how the division of labour and its productive advantages are limited if not determined by the extent of the market. The assertion is easy to understand: “[t]here is no reward for great productivity from specialized production if there is not sufficient effective demand to vent one’s surplus.” (Evensky: 2015; 22) At the same time, Smith recognizes that the market tends to expand with increased productivity unlocked by the division of labour itself. In this respect, Smith alludes to the fact that the division of labour and markets appear to have a symbiotic relationship and that under the right conditions, they can generate a positive feedback loop continually amplifying the production of material wealth.

Secondly, Smith begins to use specific examples to underscore how specific social and economic conditions have either encouraged markets and the division of labour to develop more smoothly over certain periods of history or have otherwise impeded them in others. This is especially important to note because it highlights how Smith is applying his theoretical ideas of human nature to his empirically-minded account of history. Combined, these two elements clarify what Smith intends to do in WN beyond merely providing an answer to his general

inquiry: he is attempting to identify the right conditions (i.e. the right form) to support the content of human nature. To put matters differently, Smith is concerned with encouraging those conditions which support the process by which human beings self-generate and actualize their “nature”. In this sense, the goal of WN is as normative as it is descriptive. It applies empirically-minded historical analysis to theories of human nature in the hopes of providing a clear roadmap on how to efficiently actualize the latter. Smith pursues this goal throughout his later books. Book II, for example, examines the specific economic mechanics which, when fine tuned, provide the division of labour and markets with a motor or escalator for growth. Correspondingly, Book III provides significant historical detail to highlight how institutional advantages/obstacles have encouraged/frustrated the growth of wealth over the ages. And finally, Book IV pursues the historical analysis of Book III by applying it to the mercantile policies of Smith’s day. In essence, Smith provides a critique of mercantilism on the basis that it creates new and unnecessary institutional obstacles which frustrate economic growth in his time.

1.3. *Towards a Political Division of Labour in Book V: Government Expenditure and the Social Disadvantages of the Economic Division of Labour*

In the introduction of WN, Adam Smith outlines the goal and content of his fifth and final book:

[It] treats of the revenue of the sovereign, or commonwealth. In this book I have endeavoured to shew, first, what are the necessary expenses of the sovereign, or commonwealth; which of those expenses ought to be defrayed by the general contribution of the whole society, and which of them, by that of some particular part only, or of some particular members of it: secondly, what are the different methods in which the whole society may be made to contribute towards defraying the expenses incumbent on the whole society, and what are the principal advantages and inconveniencies of each of those methods; and, thirdly and lastly, what are the reasons and causes which have induced almost all modern governments to mortgage some part of his revenue, or to contract debts; and what have been the effects of those debts upon the real wealth, the annual produce of the land and labour of the society. (Smith: 1827; 2)

In many respects, Book V resumes the work begun in Book III and interrupted by Smith’s critique of mercantilism in Book IV. It examines how government expenditures have evolved throughout different ages. Thus, it serves as a natural accompaniment to Smith’s analysis on the historical development of wealth. By examining government expenditures *after* his analysis on the historical development of wealth, Smith is committing to explore the former

alongside the latter. Smith, then, is not interested in government expenditures merely as a matter of governance. He is interested as a matter of political history. In other words, by discussing the funds the government allocates to fulfill its functions, Smith leaves himself with enough leeway to discuss those functions themselves. More importantly, by investigating how these funds have changed throughout the course of history, he is also able to explore how government functions change in turn, i.e. in response the funds that are committed to them.

But there is still another important dimension to Smith's analysis in this book which I have not yet mentioned: by addressing the issue of government expenditure, Smith also gives himself enough leeway to consider the social costs of the economic division of labour. This is because Smith largely understands the role of government in WN as mitigating the social disadvantages created by the economic division of labour. In this regard, Book V is more than just a political/historical analysis of the government's role in the economy. It is an opportunity to examine the potential pitfalls of the economic system endemic to 'commercial societies'—the very system for which Smith provides an unfinished outline in Book I. It is an invitation to tally the score of the modern economic division of labour by accounting for its costs as well as its benefits. And since Book I only considers the benefits, Book V promises to complete the tally by tracking the costs.

1.3.1. *Identifying the Major Functions of Government and the State*

A preliminary point before moving further: what Smith calls 'government' in Book V of WN corresponds to what we currently call 'the State' more than it does to government. Today, the word 'government' is used to define the governing body of a nation or community and thus typically alludes to the executive, legislative, and judicial branches of power. The State, by contrast, is a political organization with a centralized government maintaining a monopoly on the legitimate use of force within a certain territory. It thus refers not only to government, but the other institutions required to maintain order within a given territory like the military, police, and so forth. In other words, governments are part of States, but States are greater than governments because they include all institutions required to maintain the stability of a politically organized society (or *politeia*). When Smith uses the term 'government' in Book V of WN, he is referring to what we currently assign to the administrative business of the State: i.e. the business of establishing "a jurisprudence combining economic attention to 'police' with a distinctive and nuanced theory of justice." (Long: 2006; 300) Here, the term 'police' means maintaining order in the broadest possible sense. It refers to the *oikonomie* or household

management of the State—i.e. everything that allows the State to run smoothly and to guarantee political stability. It is different than our current and more narrow use of the word ‘police’, which only refers to the civil force responsible for the prevention of crime and the maintenance of public order:

Police is the second general division of jurisprudence. The name is French and is originally derived from the Greek [politia], which properly signified the policy of civil government, but now it only means the regulation of the inferior parts of government, viz:—cleanliness, security and cheapness or plenty. (Smith: 1896; 154)

Smith’s political theory, especially in TMS and LJ, is concerned with police in the original Greek sense, i.e. ‘the regulation of government in general’ which includes the quality of the citizen body and the overall constitution of society. In WN, however, Smith narrows his focus to the modern and non-Greek concept of ‘police’ which, to reiterate, is limited to what we currently call ‘governance’ and what Smith calls the ‘regulation of the inferior parts of government’. To avoid confusion, I will thus use the expression ‘the State’ instead of ‘government’ when discussing public expenditures and the major functions of political sphere for the remainder of the dissertation. That way, the reader is less likely to mistake Smith’s use of the word ‘government’ with their own.

In chapter one of Book V, Smith identifies four major areas of State expenditure and therefore, four major functions of the State. Each major function is allotted its own part in the chapter, complete with an introductory description. These functions amount to defence, justice, public works, and maintaining the sovereign’s dignity/reputation, in that order. In Smith’s words, they entail the following:

- (1) “[P]rotecting society for the violence and invasion of other independent societies, [...] performed only by means of a military force.” (Smith: 1827; 289)
- (2) “[P]rotecting, as far as possible, every member of [...] society from the injustice or oppression of every other member of it, or the duty of establishing an exact administration of justice [...]” (Ibid; 297)
- (3) “[E]recting and maintaining those public institutions and those public works, which, though they may be in the highest degree advantageous to a great society, are, however, of such a nature that the profit could never repay the expense to any individual or small

number of individuals, and which it therefore cannot be expected that any individual or small number of individuals should erect or maintain.” (Ibid; 302) Smith includes education and the maintenance of “public works and institutions that facilitate the commerce of society” such as highways, roads, the post office, in this category.

- (4) Providing for the expenses that go “over and above [those] necessary for enabling the sovereign to perform his several duties, [and] [...] for the support of his dignity.” (Ibid; 342) Smith continues to clarify: “In an opulent and improved society, where all the different orders of people are growing every day more expensive in their houses, in their furniture, in their tables, in their dress, and in their equipage, it cannot well be expected that the sovereign should alone hold out against the fashion. He naturally, therefore, or rather necessarily, becomes more expensive in all those different articles too. His dignity even seems to require that he should become so.” (Ibid; 342)

Each of the following four subsections are dedicated to studying these functions separately and in greater detail. In the end, they will help uncover an underlying and oft-repeated motif in Smith’s assessment of them: historical trends indicate that the State’s major functions grow more complex with time and thus, are harder to perform. In terms of expenditure, it means that the State must allocate a greater quantity of funds to perform the same general functions over time—and this is precisely what causes States to incur more debt in the present day than in past historical stages. In ‘commercial societies’ most especially, the State is not only responsible for performing its major functions as efficiently as possible, but it is also expected to do so in a way that mitigates the negative social impacts of the economic division of labour.

1.3.2. *Book V, Chapter One, Part One: Defence as the First Function*

The first major function Smith examines in his analysis of State expenditure is military defence. Smith quickly notes that in present-day ‘commercial societies’, the quantity of funds allocated to military defence is vastly greater than for societies of previous historical periods. He is quick to identify the cause of this increase for the reader:

In a more advanced state of society, two different causes contribute to render it altogether impossible that they who take the field should maintain themselves at their own expense. Those two causes are, *the progress of manufactures, and the improvement in the art of war* [my emphasis]. (Smith: 1827; 290)

In this passage, the ‘progress of manufactures’ clearly refers to the progress of the division of labour and to the development of its productive advantages over the course of history. Even

‘improvements in the art of war’ are not disconnected from this progress, since goods required to wage war (weapons, armor, etc.) are products of industry and manufacture. The general progress of the division of labour therefore suggests progress in the industry of war and the manufacture of its corresponding goods. In turn, this implies the gradual improvement of the war industry and the growing sophistication of its products over time. But the question remains only half-answered: why should this trend increase State expenditures for purposes of military defence? The beginning of the passage alludes to the answer: the more complex the business of war, the more difficult it is for soldiers to maintain their livelihoods at their own expense in wartime. To illustrate, Smith compares the costs of war for a husbandman from days past to the costs of war for manufacturers in days present:

Though a husbandman should be employed in an expedition [...] the interruption of his business will not always occasion any considerable diminution of his revenue. Without the intervention of his labour, nature does herself the greater part of the work which remains to be done. But the moment that an artificer, a smith, a carpenter, or a weaver, for example, quits his workhouse, the sole source of his revenue is completely dried up. [...] When he takes the field, therefore, in defence of the public, as he has no revenue to maintain himself, he must necessarily be maintained by the public. But in a country of which a great part of the inhabitants are artificers and manufacturers, a great part of the people who go to war must be drawn from those classes, and must therefore be maintained by the public as long as they are employed in its service. (Ibid; 290-1)

The contrast between the past and Smith’s present is quite clear: the husbandman’s labour is focused on agriculture, is more clearly directed towards the goals of subsistence and “self-sufficiency”, benefits from a greater degree of independence, and is attuned to the rhythm of its natural surroundings. As such, the husbandman can afford to pause her work activities for a time in order to participate in war if need be. If she accrues a surplus, then she can sustain herself as a soldier so long as the surplus does not run out. If she has already tilled and sown the land, then she has enough free-time to go to war until the crops are ready for reaping; and if there are other tasks to complete in the meanwhile, they are sufficiently minor that another member of the household can complete them in her absence since nature herself is doing the greater part of the remaining work. For the artificer, smith, carpenter, or weaver of Smith’s day, however, it is a different story: their labour is focused on manufacture, is “other-directed” instead of promoting “self-sufficiency”, is specialized to a degree where it depends on the labour of others, is determined by the extent of the division of labour and therefore, is attuned

to the rhythm of the market more than it is to nature. The result, of course, is drastically different than the husbandman's experience of past eras: the artificer, smith, carpenter and weaver cannot leave their workplace without compromising the operations of the entire manufacture because their specialized work-tasks prepare and are prepared by the specialized work-tasks of every other labourer in the manufacture.

To better understand the interdependency between our fellow artificers, smiths, carpenters and the like, it is useful to imagine their workplace as a chain, and their specific work-tasks as one link of that chain. If even one link is removed, then the entire chain falls apart because each link is held in place by every other. The chain-like structure of their workplace is a necessary by-product of the increasing division and of labour because the more work is specialized, the more it is supported by all of the other work that gives it purpose. As a result, our fellow artificers, smiths, carpenters and the like, have greater trouble removing themselves from their economic operations than our subsistence-oriented husbandman from earlier. In fact, they are far too integrated within the overall economic operations of their manufacture to leave their workplace for any extended period of time without impeding those operations. This is precisely what Smith has in mind when stating that manufacturers of his day will 'completely dry up the sole source of their revenue should they be employed in a military expedition.'

The complex chain of interdependencies developed through the modern division of labour complicate the process by which manufacturers extricate themselves from their economic operations to perform their civic duties—in this case, military defence. As a result, our manufacturers struggle to sustain themselves when they are not directly integrated into their economic operations and thus, cannot afford to take extended time away from their work to be 'employed in a military expedition.' Here, the condition of manufacturers extends to workers in general at the time of Smith's writing since the division of labour generally transforms the nature of work in such a way that 'a great part of the inhabitants of modern countries are manufacturers.' At the same time, military defence is a necessary function to guarantee the stability and order of a politically organized society. Without it, society would be defenseless against outside threats and could not reliably guarantee stability. 'Commercial societies' are thus left at something of an impasse: someone must do the work of military defence but workers cannot afford to do it at their own expense because it does not support their livelihood or individual self-interest. How, then, is the State supposed to perform this function without significantly interrupting the flow of the modern economic division of labour in the commercial age? Again, the previous passage alludes to the answer: workers enlisted in military defence

must be sustained by State revenue so long as they are performing this function. Smith clarifies this point shortly after contrasting the husbandman of days past to the artificer of days present:

When the art of war, too, has gradually grown up to be a very intricate and complicated science, when the event of war ceases to be determined, as in the first ages of society, by a single irregular skirmish or battle, but when the contest is generally spun out through several different campaigns, each of which lasts during the greater part of the year, it becomes universally necessary that the public should maintain those who serve the public in war, at least while they are employed in that service. (Ibid; 291)

The added details of this passage further corroborate Smith's solution to the problem of defence. They show that as the progress of manufactures applies to the industry of war, the business of war becomes more complex and therefore, protracted. Irregular skirmishes or battles are spun out through several campaigns which last the greater part of a year while these battles and campaigns are conducted with ever more sophisticated equipment, tactics, strategies, etc. The protracted nature of war further pressures the soldier's livelihood because she is likely drawn from the working class, and cannot sustain herself for very long when removed from her job or the complex web of economic operations which give her job its (highly specialized) purpose. The most straightforward solution thus becomes to disburse State funds to pay the worker for soldiering, as it is both in the State's and the worker's interest. It is in the State's interest because it can perform its function of military defence if it incentivizes workers to enlist as soldiers by paying them for their time and service. At the same time, it is in the worker's interest because the performance of her civic duties no longer poses as significant of a personal economic cost to her. Her civic duties align more smoothly with the pursuit of her individual self-interest because they no longer impede her ability to pursue her own good in her own way, as they once did. But this solution implies something more: that workers enlisted in military service are making it their *profession*; that they are *specializing* in the military field as one specializes in artificing, smithing, carpentry, or weaving. And that implies something else: that the field of military service has become sufficiently specialized as to require a division of labour of its own—one where complex military operations are divided into different parts assigned to different specialists. Smith further clarifies this point alongside the individual's self-interest shortly after the previous passage:

The art of war, however, as it is certainly the noblest of all arts, so in the progress of improvement it necessarily becomes one of the most complicated among them. The state of the mechanical, as well as some other arts, determines the

degree of perfection to which it is capable of being carried at any particular time. But in order to carry it to this degree of perfection, it is necessary that it should become the sole or principal occupation of a particular class of citizens, and the division of labour is as necessary for the improvement of this, as of every other art. Into other arts the division of labour is naturally introduced by the prudence of individuals, who find that they promote their private interest better by confining themselves to a particular trade than by exercising a great number. But it is the wisdom of the state only which can render the trade of a soldier a particular trade separate and distinct from all others. A private citizen who, in time of profound peace, and without any particular encouragement from the public, should spend the greater part of his time in military exercises, might, no doubt, both improve himself very much in them, and amuse himself very well; but he certainly would not promote his own interest. It is the wisdom of the state only which can render it for his interest to give up the greater part of his time to this peculiar occupation [...] (Ibid; 291-2)

By enlisting professional soldiers to fulfill its defence function, the State seemingly finds an elegant solution to its problem: with only a small group of well-trained specialists undertaking their particular tasks with great dexterity, it can perform its defence operations more efficiently than it could through the work of a vastly greater number of non-specialists at its command. Thus, the State is not only able to better perform its function but more importantly, it can perform it without seriously interfering with the flow of the economic division of labour because it only requires a fraction of the overall population to perform its defence operations. But the solution serves to further indicate the subtext of the problem instead of providing a definitive solution to it: as the economic division of labour becomes more sophisticated and its productive advantages unfurl, so do its social upkeep costs. Initially, Smith measures those costs in terms of State expenditure and thus measures the requirements of State revenue against the growing wealth created by the productive advantages of the economic division of labour. He notes with some consternation that military spending increases considerably in his time to offset the costs attributed to the growing complexity of war as well as the need to provide soldiers with a salary. But so long as the productive powers unlocked by the division of labour create more wealth than the State requires for its expenditures, the consternation is relatively faint; and Smith's general tally favours the positive impacts of the economic division of labour over the negative ones.

1.3.3. *Book V, Chapter One, Part Two: Justice as the Second Function*

The second major function is justice, which he defines as the security of "every member of society from the injustice or oppression of every other member of it." (Ibid; 297) Here too,

Smith analyzes the growing upkeep costs of the administration of justice through his historical analysis of State expenditures. His specific analysis of justice is considerably more complex as it contains his ideas on the historical foundations of civil governments at different periods of history. It also contains an analysis of the relationship between civil governments and justice on the one hand, and property on the other. Ultimately, however, the analysis follows the same general pattern as the one for defence: the administration of justice becomes more complex as societies grow in complexity over time. As a result, the labour required for the administration of justice is increasingly divided and specialized to match the growing degree of sophistication of its society. The natural historical conclusion to this process is that justice is conducted by a small group of professionals in the age of commerce in the same way that defence is carried out by a small group of professional soldiers.

For Smith, the administration of justice begins with property. Societies in the ‘rude state of hunting and gathering’, and for which there is seldom any property to speak of, have no sustained need for institutions directed toward the administration of justice:

Among nations of hunters, as there is scarce any property, or at least none that exceeds the value of two or three days labour; so there is seldom any established magistrate, or any regular administration of justice. Men who have no property, can injure one another only in their persons or reputations. But when one man kills, wounds, beats, or defames another, though he to whom the injury is done suffers, he who does it receives no benefit. [...] Envy, malice, or resentment, are the only passions which can prompt one man to injure another in his person or reputation. But the greater part of men are not frequently under the influence of those passions; and the very worst men are so only occasionally. As their gratification, too, how agreeable soever it may be to certain characters, is not attended with any real or permanent advantage, it is, in the greater part of men, commonly restrained by prudential considerations. (Ibid; 297)

Crime and injustice only become a serious threat to social stability with propertied societies, since:

Wherever there is a great property, there is great inequality. For one very rich man, there must be at least five hundred poor, and the affluence of the few supposes the indigence of the many. The affluence of the rich excites the indignation of the poor, who are often driven by want, and prompted by envy to invade his possessions. (Ibid; 297)

Smith’s central argument relies on a strong contrast. He claims that in the historical transition from propertiless to propertied societies, crime undergoes a significant transition as

well: where it is rare, driven by personal feelings, and primarily characterized by assault and murder in propertiless societies, it becomes frequent, driven by inequality and material gain, and characterized by theft in propertied societies. These changes in the frequency, motivations and characteristics of crime subsequently affect justice: in propertiless societies, there is no need for permanent institutions of justice because crime is more personal, infrequent and exceptional. However, in propertied societies, social tensions are escalated by the inequalities between rich and poor, and both the opportunity and frequency for crime increase as a result. For that reason, propertied societies need a permanent institution to administer justice and to ease rising social tensions between the rich and the poor. This is precisely the role of civil governments for Smith:

It is only under the shelter of a civil magistrate, that the owner of that valuable property, which is acquired by the labour of many years, or perhaps of many successive generations, can sleep a single night in security. He is at all times surrounded by unknown enemies, whom, though he never provoked, he can never appease, and from whose injustice he can be protected only by the powerful arm of the civil magistrate, continually held up to chastise it. The acquisition of valuable and extensive property, therefore, necessarily requires the establishment of civil government. Where there is no property, or at least none that exceeds the value of two or three days labour, civil government is not so necessary. (Ibid; 297)

Smith subsequently explores how civil governments change as the accumulation of property and material wealth increase with each successive stage of historical development. His general observation is fairly straightforward: the more societies accumulate property and material wealth, the greater the inequalities between rich and poor. As inequalities between rich and poor compound, they also compound social tensions that threaten the overall stability of society. In this context, the threat of injustice in society (which is ultimately the threat of social inequality) gradually comes to have a life of its own. It gradually becomes more sophisticated, detailed and multi-faceted as both property and wealth accumulate, and as the resulting inequalities between rich and poor extend over a greater portion of the social terrain. Since the threat of injustice grows into an independent problem for society, it eventually requires a permanent institution of justice to combat and mitigate it. As this threat continues to grow more sophisticated with social inequality, the more the institutions of justice need to specialize their activities to keep up with the threat. For civil government in the age of ‘commercial societies’, this specialization has reached the point where it has become necessary to separate the administration of justice from the executive functions of government to which it was attached

in earlier historical stages. As such, the administration of justice develops into its own distinct function with its own distinct group of specialists over time⁹:

The separation of the judicial from the executive power, seems originally to have arisen from the increasing business of the society, in consequence of its increasing improvement. The administration of justice became so laborious and so complicated a duty, as to require the undivided attention of the person to whom it was entrusted. The person entrusted with the executive power, not having leisure to attend to the decision of private causes himself, a deputy was appointed to decide them in his stead [...] In the progress of the European monarchies [...] the sovereigns and the great lords came universally to consider the administration of justice as an office both too laborious and too ignoble for them to execute in their own persons. They universally, therefore, discharged themselves of it, by appointing a deputy, bailiff, or judge. (Ibid; 302)

1.3.4. *Book V, Chapter One, Part Three: Public Works as the Third Function*

The third function of the State consists in building and maintaining public institutions and public works. Smith takes great pains to outline the kinds of public works and institutions required for the “public good” and separates them into two distinct categories: those for 1)

⁹ In “Another Advantage of the Division of Labour”, Nathan Rosenberg (1976) illustrates how Smith maintains that the administration of justice develops its division of labour alongside defence. The two ultimately go hand in hand. Rosenberg uses this connection to emphasize how the productive advantages of the division of labour extend to the administration of justice. But the argument itself also opens the door to the idea that justice, like defence, becomes more susceptible to the adverse social effects of the division of labour at the same time. This means that the problems connected to the specialization of military activity—the piecemeal removal of citizen-workers from important aspects of public life ultimately causing their moral, social and intellectual faculties to gradually “atrophy”—would occur with the specialization of justice as well.

Using material presented by Smith in his February 7, 1763 lecture, and comparing that material to WN, Rosenberg demonstrates that the division of labour not only entails an improvement of human skills and capacities, but also “calls attention to basic improvements in motivation as well” (Rosenberg: 1976; 866). Rosenberg’s argument follows Smith’s analysis of the judicial realm in great detail: in earlier periods of history, the duties of judge, general and legislator were commonly performed by the same person. When people thus formed the habit of “submitting themselves to control by some superior person” (Ibid; 862), they did not generally distinguish between military and judicial functions. As a result, those persons who judged in times of peace were also required to lead in times of war and thus, to act in the capacity of both judge and general in society writ large. For Smith, this two-fold capacity entailed a significant problem: those persons would usually attain recognition and success for their military and not their judicial activities, thereby encouraging them to concentrate upon the former while neglecting the latter. By calling attention to this problem, Rosenberg rightfully concludes that if a person must commit to two activities at once, but “the returns to activity A remain very high while those for activity B are effectively at zero, the latter activity will be performed in a most perfunctory way or totally neglected” (Ibid; 863) However, if military and judicial activities are divided among different people, this problem is bypassed altogether because each kind of activity now constitutes someone’s sole responsibility. Here, the attainment of individual recognition or success depends entirely on how well that “someone” performs her sole responsibility. By the same token, it focuses that person’s motivations on the task which yields the highest return for her and thus, increases her competency at the same time as she tends to her self-interest.

“facilitating the commerce of society” and 2) “promoting the instruction of the people.” (Smith: 1827; 302)

When looking at the institutions that facilitate ‘the commerce of society’, Smith reflects on how each individual institution should develop a unique relationship with the State based on their internal mode of organization. Some institutions, Smith argues, should be privately managed but publicly subsidized, while others should be publicly subsidized and also publicly managed. Here are a few specific examples on which Smith briefly casts his attention: he notes that in the case of trade canals, the revenue collected for their maintenance should be placed under the responsibility of private agents, since canals require constant maintenance and because private agents would be naturally incentivized to keep the canals passable (Ibid; 303-4). By contrast, high roads used for trade should be managed by a public commission of trustees under the supervision of parliament because they do not require as much care, and because private agents entrusted with their maintenance would be incentivized to collect revenue while neglecting their maintenance duties (Ibid; 304-5). For public works and institutions facilitating commerce, Smith also discusses the advantages and disadvantages of regulated and joint-stock companies, “private copartneries”, the conditions under which governments should charter joint-stock companies, and pursues his critique of mercantilism from Book IV by examining specific examples like the old East India Company (Ibid; 307-318).

Smith may argue that canals, high roads and other ‘institutions facilitating commerce’ should be subsidized and managed differently from one another, but he nevertheless considers that each falls within the general category of “public works”. He believes this because despite their individual differences, he defines public works and institutions follows:

[...] though they may be in the highest degree advantageous to a great society, [they] are, however, of such a nature, that the profit could never repay the expense to any individual, or small number of individuals; and which it, therefore, cannot be expected that any individual, or small number of individuals, should erect or maintain. (Ibid; 302)

The reason, then, Smith expects the State to fund institutions ‘facilitating commerce’ and ‘promoting the instruction of the people’ is because they provide a necessary benefit to society as a whole. The benefit, however, does not cover the material costs that private individuals incur if they invest in either building or maintaining these institutions themselves. Since it is not in the material “self-interest” of private individuals to invest in these institutions, the responsibility falls on the State to subsidize them. And because these works and institutions

benefit everyone without catering to any particular individual's private interests, they are considered *public*.

Smith's argument is generally sound. Without things like "roads, bridges, navigable canals, harbours, etc." (Ibid; 303) the economy would not benefit from the infrastructure it needs to continue accumulating wealth. 'Manufactories' and other production facilities would not be able to distribute their goods through the market as efficiently, and advancements in the division of labour would be stunted as a result. What is more, Smith is generally right in suggesting that the benefits of public works/institutions exceed their profitability and that seeking to make them profitable for private agents would be damaging for society. But what is crucial to Smith's argument here is not its general soundness as much as the way he frames it: he defends the need for 'building and erecting' public works *only after* he defines them as a *social externality*, i.e. as a cost *external* to economic activity and that *society as a whole* is expected to pay through the State. In this sense, Smith's formulation on the "profit" of public works 'never being able to repay the expense to any individual' is especially revealing. It underscores the idea that economic activity under the division of labour is "productive" while the social activities required to maintain the structure of the economy and the *politeia* are "reproductive" in a more general sense¹⁰. I use the term "reproductive" here to denote the fact that Smith defines public works as a *cost* to ensure the continued stability and growth of the *politeia*—a necessary and important cost to be sure, but a cost nonetheless. And this is true not only of public works that facilitate commerce, but also of those which promote 'the instruction of the people'.

1.3.4.1. *Social Externalities and The Case for Education*

¹⁰ As V.W. Bladen demonstrates in his article *Adam Smith on Productive and Unproductive Labour: A Theory of Full Development* (1960), Smith is not unaware of the distinction. The initial pages of the article return to Book II of WN in order to demonstrate how Smith establishes a distinction between "one sort of labour which adds to the value of the subject upon which it is bestowed" and "another which has no such effect." (Smith: 1827; 135, Bladen: 1960; 626) Smith names the first sort of labour productive and the second, unproductive. The distinction mirrors the one I establish between productive and reproductive labour above. In both distinctions, the administrative work done by the State counts as non-productive labour; Vablen rightly underscores this by citing a passage in which Smith claims that the work of the sovereign falls under the category of unproductive labour: "The sovereign, for example, with all of the officers both of justice and war who serve under him [...] are unproductive labourers [...] Their service, how honourable, how useful or how necessary soever, produces nothing for which an equal quantity of service can afterwards be procured." (Smith: 1827; 136, Bladen: 1960; 626) My decision to rebrand this sort of work "reproductive" instead of "unproductive" does not challenge the argument in Smith's passage. What it intends to highlight, however, is that political labour should also be considered "reproductive" from Smith's perspective because its goal is to mitigate the negative effects of the division of labour which threaten to fragment and dissolve the fabric of society. In this sense, political labour tends to the reproduction of society and should, in this sense, be considered "reproductive" and not simply "unproductive".

When Smith refers to the public works needed to maintain ‘commercial societies’, he is not only thinking of infrastructure like “[...] roads, bridges, navigable canals, harbours, etc.” (Ibid; 303) that maintain and expand various branches of trade. He is also thinking about schools, universities, and church/community groups charged with promoting “the education of youth” (Ibid; 318-330) and “the instruction of people of all ages” (Ibid; 330-342). For Smith, these kinds of institutions become a “public good” in ‘commercial societies’ because they repair the adverse effects of the division of labour on the worker’s socialization and general intelligence. These adverse effects are most famously recounted in Smith’s passage on the social and intellectual degradation of the ‘labour poor’. Although I cite this passage at length in the introduction, I now return to it to underscore how Smith uses it to advocate for a publicly subsidized school system:

In the progress of the division of labour, the employment of the far greater part of those who live by labour, that is, of the great body of people, comes to be confined to a very few simple operations; frequently one or two. But the understandings of the greater part of men are necessarily formed by their ordinary employments. The man whose whole life is spent performing a few simple operations, of which the effects, too, are perhaps always the same, or very nearly the same, has no occasion to exert his understanding, or to exercise his invention, in finding out expedients for removing difficulties which never occur. He naturally loses, therefore, the habit of such exertion, and generally becomes as stupid and ignorant as it is possible for a human creature to become. [...] His dexterity at his own particular trade seems, in this manner, to be acquired at the expense of his intellectual, social, and martial virtues. But in every improved and civilized society, this is the state into which the labouring poor, that is, the greatest body of the people, must necessarily fall, unless government takes some pains to prevent it. (Ibid; 327)

Even with the more overtly political elements removed, this passage clearly illustrates how the division of labour isolates workers from the *social* and *public* world by removing “distractions” (or “social externalities”) from their economic routine. In this case, those “distractions” include the opportunity for individuals to exert their general understanding of the world through their normal social routine, which is embedded to their economic routine for the most part. Smith understands this social and political isolation as a relatively new phenomenon, and he establishes a firm contrast between the state of education in ‘commercial societies’ and societies from a previous historical periods to further highlight how the current ‘moral’, social and intellectual degradation of the ‘labouring poor’ is a historically novel phenomenon.

In previous historical stages, Smith argues, societies employed a less sophisticated division of labour with a fewer number of occupations. The number of skills individuals had to possess to meet their needs was greater and by exercising these many skills, they were able to exert their general understanding (Evensky: 2015; 203). In these earlier stages of history, there was no pressing need for the State to finance education. Workers would organically develop their public awareness and expand their understanding of the social world as they met their needs by developing new skills in their day-to-day routine. In other words, both the worker's intelligence and her political consciousness were naturally embedded in her economic and social routine. She did not need to take time away from her normal routine to develop her intelligence or to be politically engaged. Not so for the worker in 'commercial societies' because although "there is an almost infinite variety [of occupations] in the whole of society" there "is little variety in the occupations of the greater part of individuals." (Smith: 1827; 327) The worker living in the age of commerce is different from her historical predecessors because meeting needs through her economic routine does not expand her skill-base or understanding of the world. Furthermore, without deliberate institutional support from the government or the State, there is a grave risk that her attention (and intelligence by proxy) would almost entirely be bound to her highly-specialized economic routine devoid of any social "distractions". In this context, the worker's understanding of the world would extend barely further than the one or two specific job operations she must perform to make a living. Her capacity to develop a thorough understanding of the social world or to put that understanding into practice through political action, atrophies like an unused muscle. This is, of course, unless the State makes deliberate provisions to provide her with time away from her job (as it does with education) so that she can develop her general intelligence and social consciousness.

As Smith acknowledges that 1) the 'labouring poor' form the majority of the population in 'commercial societies' and 2) their social and intellectual deterioration is inevitable unless the State intervenes, he is framing the negative social and intellectual effects of the division of labour as a *political* problem. In other words, Smith is concerned with the stability of the *politeia* as a whole; he is unsure whether the *politeia* can maintain itself if the majority of its citizen body cannot develop the necessary skill-sets to be socially and/or politically engaged. His call for publicly subsidized education rests on that concern.

A final note at this juncture: Smith's call for publicly subsidized education shows that he does not limit his view of social externalities to institutions which facilitate trade or otherwise provide clear ancillary benefits to the economy. Education and publicly subsidized

school systems do not provide clear or immediate economic benefits to ‘commercial societies’ because as Smith observes in his critique of the division of labour, workers can continue to develop their ‘dexterity’ without having to continually develop their intelligence. More broadly, this suggests that the economy of ‘commercial societies’ can continue to increase its productive output independent of the stability of its corresponding political system. This is because the stability of the *politeia* partly (but necessarily) depends on the average citizen’s capacity for critical thinking, whereas the economic system does not depend on upholding the same standard with workers. By calling for education to fall under the category of “public works” Smith therefore makes his call on ‘moral’ rather than purely economic grounds. To put matters differently, Smith recognizes that social externalities can be moral (like education) just as much as they can be technical (like institutions facilitating trade). This observation is not only important in itself, but also because it sheds light on how Smith views defence, justice and other State functions as social externalities. Like education, defence and justice do not provide immediate ancillary benefits to the economy. And yet, Smith considers them necessary for the State to subsidize because they are essential to the long-term political stability of ‘commercial societies’. Although Smith tends to separate the costs of that stability from the productive benefits of the economy, his critique of the adverse effects of the division of labour—particularly on education—suggests that he does not completely separate the benefits of a stable *politeia* from economic activity altogether. In other words, Smith seems to hold on to the vague notion that political stability is essential to ‘commercial societies’ on the one hand, despite the fact that his arguments on State expenditures, “public works” and social externalities suggest that economic activity operates independently of the political sphere on the other. We will return to this contradiction later.

1.3.5. Book V, Chapter One, Part Four: Maintaining the Dignity and Reputation of the Sovereign as the Fourth Function

The fourth and final function of the State is to maintain the reputation and dignity of the sovereign. Smith spends very little time on this function—the part in which he discusses it is only 178 words—and once again, his argument is contextualized by his historical analysis on the development of State expenditure:

In an opulent and improved society, where all the different orders of people are growing every day more expensive in their houses, in their furniture, in their tables, in their dress, and in their equipage, it cannot well be expected that the sovereign should alone hold out against the fashion. He naturally, therefore, or

rather necessarily, becomes more expensive in all those different articles too. His dignity even seems to require that he should become so. (Ibid; 342)

On the surface, the argument is simple enough to grasp: as ‘commercial societies’ become wealthier, the price of dignity and reputation goes up (Evensky: 2015; 212). To maintain the sovereign’s dignity and reputation in proportion to the rest of the population, the State must allocate a small portion of its funds to maintain the sovereign’s prestige and status. This is a very minor function compared to defence, justice, and public works, but it is still important enough for Smith to have included it in his analysis. Although we do not tend to cast much attention on it today, a variation of this function is still currently practiced in order to maintain the head of State at a certain level of prestige: the government of England, for instance, continues to give a sizeable grant to the royal family funded by taxpayer dollars, and the President of the United States enjoys a number of State-funded financial benefits while in office such as living in the White-House rent-free, a redecorating allowance, on-hand staff for non-private events, a personal plane, etc.

The simplicity of the argument overshadows its most puzzling feature: Smith never explicitly defines what the term ‘sovereign’ means, nor does he explain why ‘opulent and improved’ societies need one. However, it is quite easy to infer how he defines the sovereign from context: in the 178 words used to describe the last major function of the State, Smith repeatedly uses the adjective “his” to designate what belongs to the sovereign and by that very fact, suggests that sovereignty is concentrated in the body of a single person. This fact is further corroborated by the idea that the dignity of the sovereign depends on expenses like “houses, furniture, tables, dress, and all other manor of objects belonging to a single household” (Smith: 1827; 342). Finally, Smith explicitly contrasts the dignity of the monarch and of the chief magistrate of a republic to those of their subjects and fellow-citizens respectively—although he also acknowledges that the gap in dignity between the chief magistrate and her fellow citizens is less than the monarch and her subjects. While Smith does not explicitly define the sovereign, his description nevertheless paints a clear picture: it connotes a single figurehead who represents the unity and legitimacy of a sovereign State, like a monarch or another kind of head of State.

But this does not entirely explain why ‘opulent and improved’ societies need one. To find an explanation, we must therefore turn to the sovereign’s functions. Depending on the form of government, the sovereign occupies one of two functions, or both: she may be a ceremonial figurehead to symbolize State unity and legitimacy or concurrently, the running head of

government. Smith never explicitly specifies which function he attributes to the sovereign, but we can also infer from context that he considers the sovereign only in her ceremonial functions when discussing State expenditures. The sovereign's prestige and status are only relevant to her symbolic functions like entertaining foreign dignitaries or other heads of State, participating in civil ceremonies, holding honour investitures, etc. Without a thorough explanation, Smith thus appears to imply that it is important for the State to provide symbols of its legitimacy, because symbols are clear, straightforward, and uncomplicated indicators of its power to guarantee social cohesion, order, and unity—especially when they are concentrated in or around the body of a single figurehead. For now, it is difficult to say more about the sovereign besides the fact that she could play an important symbolic function to maintain unity in 'commercial societies' since the economic division of labour in those societies negatively affects the social fabric by fragmenting and specializing the lives of its workers/citizens. But we cannot properly examine this possibility yet. We will have to wait until we examine the psychology of authority in the third chapter to do so. In the meanwhile, I should simply like to repeat that maintaining the dignity of the sovereign is, like all other major functions of the State, subject to the division of political labour Smith outlines in this part of WN—the upkeep of her household and quality of life more generally, becomes a full-time profession for a relatively small group of specialists.

1.4. *Towards a Critique of the Division of Labour and its Political Implications*

In the earlier section on the productive advantages of the division of labour, I explained that Smith finds both the *causes* and *origins* for the sudden increase in the wealth of nations at the time of his writing within the division of labour itself. For Smith, the causes are attributable to the technical improvements that go hand in hand with the division of labour. The origins, however, stem from “natural” and “innate” propensities that automatically steer patterns of human behaviour towards increased material prosperity under the right social conditions—i.e. “human nature”. In order to provide a proper critique of the division of labour, I must therefore critique it as both the cause and origin of increased wealth in Smith's political-economic theory. As the *cause* of increased material prosperity, Smith's division of labour casts doubt on the idea that its productive advantages are the result of “human nature” actualizing itself through the script of universal world history. Instead, the division of labour as a social phenomenon is historically specific to 'commercial societies'—and I will show this by interpreting the meaning of its disadvantages in greater detail. As the *origin* of increased material prosperity, I will show how the most advantageous principles of the division of labour are not enough to

avert a political situation where the State co-opts its citizen body in its quest to create and maintain order—even if we take Smith’s concept of “human nature” at face value.

1.4.1. Critiquing the Division of Labour as the Cause for Increased Wealth

With books I and V of WN, Smith is telling his reader a story about the causes and origins of human wealth and material prosperity throughout history as well as its relationship to the social/political systems that go hand in hand with them. If we read this story without taking his concerns about the social disadvantages of the division of labour seriously, the story becomes a reductive account of the unavoidable march of material progress and technical advancements made possible by the enterprising spirit written deep within the “universal” script of human psychology. In fewer words, it becomes a tale about the inevitability of “social progress”. The story more or less follows this plot: through their natural propensity to ‘truck, barter and trade’, human beings are able to gradually improve their material and working conditions by trading a proportion of their labour for products made by other workers. As the individual worker gains access to the market and to a wider array of products that she could produce in her lifetime, she is able to increase her ‘dexterity’ by focusing a greater amount of her attention and energy on her specific economic tasks. Accordingly, she is able to pursue her self-interest more effectively as her labour naturally specializes over time. Compounded over the economy as a whole, this phenomenon triggers widespread and lasting social changes that carry over to a new historical ‘stage’. The transformation from hunter-gatherer to pastoral societies, from pastoral to agricultural societies and from agricultural to manufacturing or ‘commercial’ societies in Smith’s system of thought are indicative of such changes. On a social and political level, each transformation represents a moment in which the organization of the State and civil government becomes more complex in order to keep pace with a more sophisticated division of labour in the economy. This is because as labour specializes and the economy becomes more intricate, societies must confront ever more intricate problems that were either unknown or exceptional to previous historical stages. The story eventually culminates with the division and subsequent specialization of the State’s administrative tasks (defence, justice, public works and maintaining the dignity of the sovereign) as a “natural” and “necessary” response to the division and specialization of the “productive” forces in the economy—I call this phenomenon the “political division of labour”.

This culmination is what defines ‘commercial societies’. And the word “culmination” here denotes the silent thrust of the story: the large historical changes Smith underscores in the

organization of society and politics are presented as inevitable in this version of the story because it is assumed that societies and political systems “naturally” become more complex over time. This assumption stems from the idea that it is “natural” for economic systems to become more complex since their historical evolution is entirely attributed to small but gradual changes in the efficiency of labour which is made inevitable in turn by the steady influence of “human nature” on our behaviours. Since social and political systems change alongside the economy, it is simply assumed that the reasoning Smith applies to the economy also applies to the rest of society in the exact same way. Finally, it is assumed that the social and political problems faced by a specific society at a specific historical stage are the result of it becoming more complex than its predecessors. These problems, in other words, are attributable to the inevitable march of “social progress” instead of being primarily viewed as the result of a power imbalance embedded deep into the social and political fabric.

The problem with this version of the story is not that it is altogether unlike the one Smith tells in his political-economic theory but rather, that it is too simplistic to properly account for the social disadvantages of the division of labour. By reincorporating Smith’s reflections on the need to professionalize the defence, justice and public works functions of the State into his larger story on material wealth, a different and more nuanced picture takes shape. This picture emphasizes the break between ‘commercial societies’ and its predecessors instead of the historical continuity between them. The “break” is very useful to understand Smith’s theory on two counts: firstly, it emphasizes how ‘commercial societies’ are historically distinct from their predecessors. In so doing, it gives the reader a better opportunity to understand the core foundations of ‘commercial societies’. Secondly, the break in continuity between ‘commercial societies’ and their historical predecessors tacitly underscores the distinct forms of social and political organization that take shape in the age of commerce. More specifically, it directs the reader’s attention towards the way that social and power relations endemic to ‘commercial societies’ are used to address (or gloss over) its most common and widespread problems. Let us revisit these problems in light of the story that Smith is telling in order to capture its nuances more effectively, and to underscore where the social conditions of the ‘labouring poor’ connect to larger power imbalances.

The social disadvantages of the division of labour introduce four new and important elements to Smith’s story:

(1) The principle of specialization accounts for the sudden increase in the productive output of wealth in Smith's economic theory. At the same time, however, the individual worker becomes so dependent on her specific job tasks that her life is gradually enclosed within the ever-narrowing confines of her economic operations. This is already implied in the pin manufactory metaphor in the first chapter of Book I: in previous historical stages where individual workers 'performed many operations' within the production process, their livelihood depended more on their own labour and the exertion of their own energies. But when, for instance, one worker is solely responsible for putting pins in the paper for packaging, her labour depends much more on the labour of other workers. She cannot package the pins without the worker who first draws out the wire, the one who straightens it, the one who cuts it, etc. The same can be said of the other workers in Smith's proverbial pin manufactory: they increasingly depend on one another's specialized tasks to perform their own. In other words, the division of labour underscores and amplifies the strong interdependency between all of the operations that constitute one particular trade. When the livelihood of an individual worker is entirely bound to one specific operation of a trade, as it is in 'commercial societies', it increasingly depends on the livelihoods of other workers as well. Paradoxically, this is precisely what accounts for the worker's growing social isolation and inability to perform her civic duties as it leaves the worker with no time to focus on anything but her job. Everything else becomes a "distraction" to her livelihood. Smith's observations on military defence in Book V are particularly illustrative here: prior to the manufacturing (i.e. commercial) age, workers had enough autonomy in their work and livelihoods to become soldiers and go to war if need be. But in the manufacturing age, it becomes a lot more difficult to extricate the worker from her job. If she removes herself from her job—even for a cause as noble as defending her country—she will have more difficulty supporting herself than in previous historical stages. The penalty for leaving work is so great in 'commercial societies' that it becomes extremely challenging for the 'labouring poor' to take any significant time away from work to develop their 'moral, social, intellectual and martial' virtues. This is what accounts for the deteriorating condition of workers/citizens in 'commercial societies'. But just as importantly as this account itself is its historical novelty: the degree of job specialization in the commercial age reaches such a point that the 'labouring poor' are not able to develop their skills (be they moral, social, intellectual or political) at work. Instead, they must develop their skills *away*

from work, i.e. away from the place where they spend most of their time and where they make their most tangible material contributions to society. This is why the ‘labouring poor’ of ‘commercial societies’ have nothing to contribute to *social* and *public* life besides their dexterity and muscle power unless great pains are taken by the State to prevent this situation.

- (2) Although the division of labour isolates workers from their society by incrementally enclosing them within their job functions, it is not the only factor expunging the ‘labouring poor’ from public and political life in the commercial age. The “political division of labour” does this as well. As the State gradually specializes its administrative functions to keep pace with the division of labour in the economy, it removes the core issues of politics—defence, justice, public works, sovereignty, etc.—from spaces of public action, deliberation and accountability piece by piece. Rather than addressing these issues publicly, the “political division of labour” in ‘commercial societies’ leaves them in the hands of *professional administrators* who are also representatives of the State. The pretext is that professional administrators, not unlike Smith’s wise legislators, are able to tackle specific political issues more “efficiently” than the majority of the population who would “waste productive time” by transitioning from their economic to their political tasks. Better then, so the argument goes, to minimize transition times by leaving the business of political administration to a group of dedicated specialists. The problem with this argument is obvious, and it is the object of Smith’s concern throughout chapter one of Book V: as the core issues of politics are professionalized, specialized and removed from the public sphere, they are out of reach from the majority of the population who must work for a living. Without the opportunity to address these issues for themselves, the majority of the population loses the opportunity to develop—as Smith says—it moral, social, intellectual and martial capacities. Their “stupidity” and ignorance of ‘private and public duties’ therefore multiplies as they are deprived from engaging with the “substance” of politics which is now locked behind the State’s iron doors. Again, it is important to stress that this phenomenon is also historically specific to ‘commercial societies’. This is not to say that Smith views professionalization as a completely modern phenomenon. On the contrary, he recognizes that some degree of professionalization takes place in past historical stages. For Smith, however, that recognition does not belie the fact that the phenomenon of professionalization becomes a significant threat to society and its

politics only in the age of manufacturing and commerce. In that sense, it is a problem that unfavourably distinguishes ‘commercial societies’ from its historical predecessors.

- (3) Technical advancements in the “political division of labour” cause the piecemeal removal of society’s core political issues (i.e. defence, justice, public works, sovereignty, etc.) from spheres of public accountability and serve to depoliticize society by excluding the ‘labouring poor’ from meaningful civic engagement. At the same time, they serve to reinforce the implicit notion that Smith develops in his reflections on public works in Book V: that the economy and politics are separate from one another on the grounds that the former is largely “productive” of wealth, while the latter should be “reproductive” of society. Taken in isolation from the rest of Smith’s political-economic account, this fact appears as a universal and timeless truth—the economy and politics are categorically separate as a matter of either “nature” or logic. However, Smith’s historical account undermines this “truth” through empirical observation. Prior to ‘commercial societies’, Smith notes, economic and political functions were not clearly delineated in society. One person could and oftentimes had to occupy both functions at once through their regular social routine. This observation re-emphasizes the historical specificity of ‘commercial societies’ by suggesting that these societies are different from their predecessors *precisely because* they keep economics and politics at arms length from each other. In turn, this is important because it highlights how artificial that separation is. It is important, then, because it illustrates how there is nothing natural or automatic about removing the materially “productive” parts of society from the parts of society that are publicly accessible. And since there is nothing natural or automatic about this separation, it is up for political debate and scrutiny. Smith begins to contend with this fact as he calls upon the State to intervene in ‘commercial societies’ to correct the most adverse social effects produced by their economy. His concern for the “stupidity” and ignorance of the labouring poor is largely meaningless unless it is interpreted as an effort by the author to make the economic division of labour accountable for its larger impact on society and the public. This, we may say, implies a burgeoning political consciousness that invites Smith’s readers to view increased material output in ‘commercial societies’ as being structurally predicated on making wealth less and less publicly accessible. The inevitable result of this social experiment is increased political instability which the State must

subsequently contain. That too becomes an artificial and historically specific feature of ‘commercial societies’.

- (4) By calling on the State to intervene in society to repair the adverse effects produced by the economy, Smith does not so much succeed in fostering political conditions where there State selflessly increases the living and ‘moral’ standards of the ‘labouring poor’. Rather, he outlines the political conditions where the State subsumes the activities of its working citizenry into its larger quest to maintain order. This is because the implicit goal of the State in ‘commercial societies’ is to counterbalance the potentially destructive forces of the economy. Its primary goal in maintaining a strong military, an impartial judiciary, robust public infrastructure, a universally accessible education system and a dignified reputation for its sovereign, is to make the existing social system as functional as possible—not to make the ‘labouring poor’ better off. In more accurate terms, the State’s goal is to increase the living and ‘moral’ standards of the ‘labouring poor’ only to the extent that those increased standards allow it to maintain order more efficiently. If the State were to elevate living and ‘moral’ standards beyond that point, it would run the risk of giving its working citizenry the tools to better contest its boundaries for order. And of course, it has neither reason nor incentive to do that. In this context, the depreciating living and ‘moral’ conditions caused by the economic division of labour actually benefit the State: it allows the State to impose its boundaries for order onto a growingly listless, distracted, narrow-minded and apathetic working citizenry. It allows the State, in other words, to transform its subjects into objects of political administration with little resistance. Although Smith does not explicitly discuss this trend in WN, he nevertheless acknowledges it as a pressing problem of his times through his analysis of the ‘man of system’ and the potential disappearance of ‘public spirit’ in TMS. We will further explore this point in the coming section and the following chapter.

Taken together, these four points re-emphasize what I began to illustrate in the introduction: that Smith’s account of the origins and causes of material prosperity is, at the same time, an account of growing social and political crises in the age of commerce. The two not only go hand in hand but are in fact different chapters of the same story. Both chapters are concerned with the same underlying phenomenon: the division of labour. The first observes its effects on the economy and in that light, discusses its productive advantages as well as its ability to increase the dexterity of workers. The second observes its effects on society and

politics more broadly and thus, contends with the worker's growing dependency on her job, her inability to meaningfully partake in the political process and the simultaneous specialization of the State's major administrative functions. By retracing these effects back to the same underlying phenomenon (i.e. the division of labour) and principle of specialization, Smith makes it impossible to dismiss the major social and political crises of 'commercial societies' as accidents or aberrations to be addressed as an afterthought by his "wise" legislators. Rather, the crises are the underside (and unexpected consequence) of increased material output in the age of commerce because they emerge from the same structural causes as growing wealth. This not only means, as I have said before, that increased material output is unable to address the root cause of these crises any more than it can stop being the engine of economic growth but also, in a deeper sense, that *increased material output is the crisis*. This is not to say that producing more and more wealth inherently leads to social and political crises but rather, that the way wealth is specifically produced in 'commercial societies' does because it is predicated on social isolation and political ignorance. In the context of 'commercial societies', the corollary for increased wealth therefore becomes *increased and continually augmenting crises*.

1.4.2. *Critiquing the Division of Labour as the Origin of Increased Wealth*

In chapter two of Book I, Smith's account of human nature suggests that self-interest is the dominant mode for expressing the innate human propensity to 'truck, barter, and trade' in 'commercial societies'. Self-interest, in turn, alludes to the individual's ability to pursue her own good in her own way. For Smith, the innate human propensity to trade is also what accounts for the gradual development of the division of labour over the course of history, to say nothing of its productive advantages. Since human nature is expressed in terms of propensities and inclinations, it is pre-reflexive and 'not the effect of any human wisdom.' The same, therefore, can be said about the division of labour; human beings do not consciously intend to produce its greatest material benefits, but they nevertheless do as the expression of their deepest impulses compounded over time.

When Smith combines this argument with his analysis on State expenditure, he clearly outlines his view of the State's role in society: to foster the background conditions by which individuals can pursue their self-interest as they see fit¹¹. It is, as previously stated, to faintly

¹¹ Again, this is what he means by the lesser function of police to which I alluded earlier—the very function with which he is concerned in Book V of WN.

oversee the conditions by which individuals are able to self-generate their nature by pursuing their own good in their own way. The role itself showcases how the State is subordinate, if not parasitical, to the economy: the State collects its operational funds from the economic sphere which, in turn, is structured by the productive capacities unlocked by the division of labour. Without those productive capacities, the State is unable to collect the materials needed to fulfill its major functions. From this vantage point, then, the economy appears as active, while the State seems passive; the economy produces, whereas the States consumes a portion of what the economy creates. The State, in other words, is subordinate to the economy because it immediately depends on material wealth to pursue its functions, whereas the economy does not immediately depend on the State to produce material wealth. The State's social role, to borrow the language of Aesop's fables, is to make sure that no one kills the goose that lays the golden eggs. Protecting the pursuit of individual self-interest is essential to that effect because the economic division of labour, or the goose as it were, is naturally generated by this pursuit.

At first glance, the State's subordinate role in relation to the economy's makes it appear as if the individual is sovereign over the business of her own life; and this is exemplified through the concrete pursuit of her self-interest. This has led certain economists like Milton Friedman¹² to conclude, allegedly alongside Smith, that the economy is the quintessential sphere of human freedom. The argument roughly goes as follows: the economic sphere naturally has leverage over the State because it produces the wealth on which the State depends to fulfill its functions. Individuals acting as economic agents can use that leverage to limit the State's interference in their lives, since the individual's natural (read: pre-political) activities are ultimately what generate new wealth. To that effect, individuals can negotiate basic social guarantees against the State's inclination to interfere in their lives—the guarantee, for instance, that individuals are free to order their domestic lives largely as they please within the loose boundaries set by the law; the guarantee to choose one's own vocation; the guarantee to freely associate with others for business and pleasure, etc. Although the State is inclined to interfere in the lives of its subjects on the one hand, it is compelled to respect these basic guarantees on the other—not out of benevolence, but out of concern for its own interests which, in matters of governance, extend to the wealth produced in the economic sphere and by individuals. If we were to take the argument at face value, there would be no reason to speak of political

¹² Friedman echoes this conclusion and its corresponding argument in an article entitled "Adam's Smith's Relevance for Today" (1977) and in *Free to Choose: A Personal Statement* (1980). The article and book are also excellent examples of the view of Adam Smith imagined as the earliest champion of free-market capitalism.

subjection; after all, the individual would wield ultimate mastery over the trajectory of her life. In reality, however, the issue is much more complicated.

Notwithstanding authors who have rightly underscored Smith's passionate and often misunderstood engagement with 'the regulation of government in general' (including the quality of the citizen body and the *politeia* as a whole) and not simply with the State's role in the economic regulation (Winch, 1978; Haakonssen, 1981; Long, 2006), there is another problem with the above argument to consider. Mainly, that as soon as Smith envisions the State's social role as regulating the background conditions of self-interest, he assigns the State to a task that it is ill-equipped to perform. This is because the State is now paradoxically expected to use policies crafted by human wisdom in order to magnify what nature already produces without the effects of that wisdom. In other words, the State is expected to govern what already ought to be self-generating. As such, it is expected to oversee pre-political activities surpassing its jurisdiction without interfering with those activities in the first place. This leads the reader of WN to a rather odd conclusion: that for Smith, 'governance' or the activities involved in the household management of the State are a *necessary distraction* to human nature. They are a distraction to human nature insofar as they are one step removed from the actual pursuit of individual self-interest. But they are necessary insofar as they maintain the background conditions making this pursuit possible for all individuals. What is especially odd about this conclusion, and Smith's depiction of governance by the same token, is that its distracting features accentuate the necessary ones: if some individuals cannot be "distracted" from their "natural" propensities long enough to fulfill their duty to the State, then the State cannot maintain the background conditions of self-interest for anyone—and Smith's aspiration to develop the right social and political conditions to support the content of human nature will be frustrated, if not blocked, by humankind's "natural" short-sightedness. For Smith, this is a serious problem to be sure. But it is a problem that paradoxically amplifies the State's social value at the very moment in which its role is formally subordinated to the economy's. And it is precisely as the State's social value is magnified that the issue of political subjection begins to arise out of the pursuit of individual self-interest.

1.4.3. *The Inversion of Self-Interest in the Need for State-Backed Order*

As soon as Smith is pressured by his arguments to magnify the importance of the State's administrative functions, his conception of self-interest begins to change. Specifically, self-interest transitions from being an individual, private, and therefore pre-political activity, to one

that is co-opted by the State in order to justify its general function. The transition occurs more or less as follows: although Smith initially conceives of self-interest as an individual activity bound only by the general principles of human nature, he cannot deny that its pursuit is occasionally threatened by certain extraneous social and political factors: war, crime, lack of proper public works and infrastructure, etc. The State intervenes at this exact juncture. It guarantees the background conditions of individual self-interest by tending to these threats through its normal administrative functions. As such, it gains enough social traction to redirect (and redefine) the pursuit of interest through its functions and therefore, as the expression of so many disturbances put to rest: the threat of war appeased by a strong military defence; the threat of criminal activity curbed by police and the courts; the threat of improper infrastructure pacified through new public works projects. Again, this redirecting of interest does not invalidate the earlier conclusion that the State is subordinate to the economy and thus, is a *necessary distraction* from human nature. Rather, it underscores how the State's distracting qualities ultimately serve to emphasize its necessary ones—there can be no pursuit of self-interest, in the end, if war and crime are not contained and if public works are insufficient to meet the needs of private enterprise. Here, Smith acquiesces to a vision of a State whose function generally consists in converting the pursuit of individual self-interest into an assertion of the need for social and political order; in converting the individual from a private and primarily pre-political agent to a unit of political administration.

The inversion of individual self-interest into the need for order clarifies what is true of that pursuit before and after it is co-opted by the State. In both cases, self-interest is pursued *automatically*. Before being co-opted by the State, human nature guarantees that self-interest is pursued automatically in 'commercial societies'. Self-interest, in other words, indicates the standard by which the individual expresses her "innate" propensity to pursue her own good in her own way—and so long as no external forces interfere. In this sense, Smith's conception of self-interest is an indication of how he views individuals as some sort of natural machine: their body is a physical apparatus applying mechanical power to perform the task set for it in their mind. Their mind, in turn, is the place where they hear the inner voice of nature. It is the place where the most inherent features of their species are revealed through their instincts, compulsions, and propensities. By pursuing their inner voice, these individual-machines come to naturally coordinate their efforts with others to facilitate the automatic expression of their self-interest even further. With their peers, they build the economic and pre-political spheres as a "self-interest"-producing environment. In Smith's logic, this "self-interest"-producing

environment does not yet displace the individual-machines inhabiting it because they are still responsible for producing this environment as a function of their “natural” compulsions. This changes, however, after the State co-opts the pursuit of interest. At that juncture, interest continues to be expressed automatically inasmuch as it is still automatically produced in the economic and pre-political spheres. What changes in this context is that the individual’s interests must be periodically converted into a means for other ends and thus, are stripped away from individual hands to be repossessed by the State. Here, the individual is superseded by an even bigger machine—the State-administrative machine. Here, Smith’s vision of wealth and human nature unravels in an increasingly automated society with no need for individual displays of “liberal” or civic-minded capacities; a society where the interest-converting apparatus of the State seamlessly interlocks with the interest-producing apparatuses of the economic and pre-political spheres in order to keep the larger social-machine running. It is far from what Smith originally intended and indeed, reads like something of a dystopian nightmare. But it is, in many ways, the timely and unforeseen conclusion to his basic premises on the nature of self-interest and governance in WN.

In his endeavour to conceptualize the right background conditions for the pursuit of individual self-interest, it is almost as if Smith focuses so much on the need for its pursuit that he eventually loses sight of who is pursuing it, and for what reason. What is of capital importance to Smith in this context is that the pursuit of interest always finds an appropriate mode of expression; that this mode is unimpeded by external forces; that it be *automated* as much as possible. And if the primary goal is to ensure that the pursuit of interest remain uninterrupted, then the question of agency becomes an afterthought. From this perspective, it is no longer necessary for the *individual* to be the primary agent pursuing her own interest. Any organization capable of both amplifying and automating that pursuit better than the individual can easily co-opt her agency and begin to pursue her interest in her stead. And that is precisely what the State does: its major functions (defence, justice, public works, etc.) are located at the precise juncture where individuals are both disinterested in governance and dependent upon it to pursue their pre-political activities. With the individual’s disinterest, the State gains the leverage it needs to bypass most of the accountability it would otherwise owe to its subjects. With the individual’s dependency, it has the leverage to control the pursuit of self-interest for individuals and thus, to control this pursuit in a way that re-asserts the need to maintain order. In more general terms the State gains the necessary leverage to reframe the individual’s pursuit of self-interest into a concrete assertion of her political subjection.

The more complex the individual's economic activities become due to advancements in the division of labour, the more her social activities are sustained by the State's major functions. And the more this is the case, the more the individual alienates her interests to the State in order to maintain her quality of life. Here, the State replaces the individual as the most important agent in society; and its functions become the most valuable expression of individual and social interests by that very fact. In other words, defence, justice, public works, and the like become more valuable expressions of interest than the individual's pre-political pursuits. This gives the State enough social traction to establish boundaries in order to maintain the purpose of its major functions—boundaries that, for example, ensure that defence is left only to State-sanctioned and professional military forces, or that justice is similarly conducted by State-approved courts and police. Compounded, these boundaries amplify the State's agency over the individual's. It provides the framework by which the individual's pursuit of self-interest is ultimately re-interpreted as a measure of her overall satisfaction with State rule. To summarize, Smith is faced with an unexpected complication at this juncture: *when he is pressed to specify what his conception of individual self-interest means in the context of governance and the State's administration of society, he is forced to frame its pursuit within specific boundaries to maintain its functionality. These boundaries inevitably allow the State to redefine and reconfigure the individual's pursuit of self-interest as an assertion of the need for order, since it positions itself as the only legitimate enforcer of boundaries in society.* In the face of this problem, Smith may wish to caution against it by reasserting the individual as the primary agent of her own interests. But it is too little, too late. The need for State rule has been established. The State's propensity to absorb individual agency in its larger quest for order is taken as a necessary but unfortunate condition of its rule. And by refusing to explicitly acknowledge this unavoidable complication in WN, Smith leaves his proverbial individuals with few tools to determine 1) how and when they should trust the State to establish boundaries, and 2) how and when the State is most likely to abuse those boundaries once they are in place. He leaves them, in other words, without the required critical faculties to actively engage in politics and thus, without the ability to think and act in public. Or as Smith writes:

The man whose whole life is spent performing a few simple [economic] operations, of which the effects, too, are perhaps always the same, or very nearly the same, has no occasion to exert his understanding, or to exercise his invention, in finding out expedients for removing difficulties which never occur [...] Of the great and extensive interests of his country he is altogether incapable of judging; and unless very particular pains have been taken to

render him otherwise, he is equally incapable of defending his country in war [...] His dexterity at his own particular trade seems, in this manner, to be acquired at the expense of his intellectual, social, and martial virtues. (Smith: 1827; 327)

And of course, without these critical faculties, individuals have no reliable or consistent standard by which to collectively resist the State's inclination to interfere in their lives. This is not to say that political engagement or resistance disappear entirely from the social landscape but simply, to indicate that they become exceptions to the newest rules of political subjection.

Chapter 2

On Subjection, Utility and the Division of Labour

In the previous chapter, I examined Book I and V of WN and alluded to how advancements in the division of labour amplify the worker's dependency on 1) her own job, 2) the jobs of her co-workers, and 3) the economic operations of her workplace as a whole. I also suggested that work loses its intrinsic value the more specialized it becomes since it represents an ever-shrinking portion of the overall production process. This is not to say that work loses all of its value but rather, that it becomes valuable mostly in relation to all of the other work done to sustain it. I alluded to these phenomena by observing how workers have a greater difficulty extricating themselves from their jobs the more sophisticated the division of labour becomes. Since workers have greater difficulty removing themselves from their job, it becomes more difficult for them to focus their energies on other social activities for too long. When this trend applies to the economy in general as it does for 'commercial societies', it creates a serious problem for the *politeuma* (or citizen body): the majority of citizens, who are also the 'labouring poor' in society, cannot perform their civic duties without interrupting the economic operations of their workplace, i.e. without disrupting the process by which they both produce wealth and secure their individual self-interest. This suggests that the 'labouring poor' are penalized for performing their civic duty and thus, for engaging in politics. The harder it is for them to remove themselves from work without penalty, the less likely they are to do it, and the more unprepared they will be to answer the problems affecting their *politeia* (or politically organized society).

In my section on State-funded public works, I also suggested that the social costs of the economic division of labour on the *politeuma* is indicative of a formal separation between economic and State functions—between productive and socially reproductive labour. Smith grasped this formal separation very well in Book V and despite the sometimes questionable character of his 'political sociology', he rightly attributed the separation to the economy's gradual emancipation from the rest of society in the progress of Western history. The general argument is fairly simple, and still appears to hold water to some degree: the progress of wealth specializes and therefore complicates social activity which, in turn, pressures the State to specialize its administrative functions which oversee social cohesion and maintain order. The more this occurs, the more society and the State depend on the productive powers of the

economy to perform their own activities/functions—they are affected by the consequences of economic activity, but do not have the power to decide whether or not to incur its costs. As such, the operations of the economy gain sufficient leverage over the rest of society and the State to be conducted separately from them. Although Smith saw this phenomenon as a function of human nature compounded over the course of history, the argument still applies to ‘commercial societies’ in particular since their economy is structurally disembedded from non-economic institutions to a greater degree than any other society before it. But the formal separation between the economy and the State does not suggest that these two realms are categorically incompatible. After all, the State depends on the economic activity generated by the division of labour for the wealth it needs to pursue its own particular functions. And the economy, in turn, benefits indirectly from the State performing its major functions because it does not have to factor the cost of the State’s activities in the products it makes. Rather, the underlying problem to the formal separation of the economy and the State amounts to this: that the economic wealth on which the State depends is produced in a way that undermines the other conditions required for it perform its socially reproductive functions. The State is thus trapped in something of a contradiction: either it gathers the wealth it needs from the economy, or it commands the degree of public participation required from its citizens to properly fulfill its functions, but it will struggle to do both at the same time although it must somehow. This raises the question: what is the State to do?

As Smith examines the historical development of State expenditures in Book V, he is faced with this exact question whenever his historical and economic analysis arrive at the stage of ‘commercial societies’. At the same time, he notes how States in ‘commercial societies’ endeavour to solve the problem raised by this question: with a growing portion of the population effectively unable to remove themselves from their economic functions for too long, States are left with no choice but to apply the principles of the division of labour to their administrative structure in order to continue performing their major functions.

To all outward appearances, this solution works quite well to attenuate the gravest symptoms of the problem. By specialising its administrative tasks and assigning them to a small group of professionals, the State can attend its functions with only a small proportion of the overall workforce at its command. In this way, it leaves the operations of the economic sphere largely undisturbed and thus, protects the goose that lays the golden eggs. What is more, the division and specialization of the State’s administrative labour is accompanied by a corresponding increase in its efficiency—it does more with less or to be more precise, performs

the same functions at a higher degree of complexity with fewer members of the *politeuma*. In so doing, the State successfully compensates for the largest portion of the citizen body who is not directly politically active because of its strict economic (read: job) obligations. Adopting a political division of labour is a clever solution to mitigate the social costs of economic activity in ‘commercial societies’, but it is not problem-free for all that: as the State “increases” its efficiency, it also improves on its techniques of “subject-governance” and on its general ability to maintain order. In other words, the State performs its major functions at a higher degree of complexity because it is more efficient at maintaining order—and it needs to be with a smaller proportion of the citizen body directly at its disposal. This also implies something else: that politics is increasingly associated to subjection precisely because it is conflated with the State’s administrative functions. Politics, in other words, is progressively regarded as a matter of population control; as a means of administering the *politeuma* instead of protecting its dignity (or its character). In what follows, I will further explore these points just as I intend to connect them with the disappearance or “hollowing out” of the public realm of politics in commercial societies.

The previous chapter focused on establishing the connection between the economic and political divisions of labour. The connection, I argued, can be summarized in the following two points: 1) the political division of labour emerges from the economic division of labour insofar as it responds to the social transformations generated by it. 2) The political division of labour responds to these social transformations by attempting to mitigate their negative effects. This becomes part of the State’s function to maintain order in ‘commercial societies’. This chapter will now attempt to establish a connection between the division of labour and political subjection. This means that I will need to demonstrate how political subjection not only intersects with both the economic and political divisions of labour separately but more importantly, how it is structurally embedded in the connection between the two.

To avoid any misunderstandings, I believe it best to complete the introduction of this chapter with a preliminary note: the arguments presented in this chapter are largely conjectural. I do not intend to demonstrate that Adam Smith foresaw how political subjection is structurally embedded in the relationship between the economic and political divisions of labour in ‘commercial societies’. The facts on this matter are clear: Smith never explicitly entertained this notion, and there is little in his larger intellectual project to suggest that this notion is

reflective of his eighteenth century concerns. This raises an important question: why, then, use conjectural arguments to establish the connection between the division of labour and political subjection in a project devoted to Adam Smith? The answer brings us back to my introduction, although it may be unsatisfying for the Smith reader who expects a synthesis of his system of thought as a whole: my arguments in this chapter are largely exploratory and intend to bring out where we can establish a connection between the division of labour, Smith's principles of government and his corresponding ideas on political subjection. The phenomena which I intend to examine in what follows are a specific mental extrapolation of Smith's arguments on the division of labour. They are an attempt to explore how subjection is embedded to the general principles of the division of labour as they unfurl in 'commercial societies'. Although this extrapolation is not entirely representative of Smith's intellectual project as it is written, it is nevertheless relevant to it for a simple reason: in Book V of WN, Smith acknowledges that the State must specialize its administrative functions in 'commercial societies' to keep pace with growing economic wealth. By specializing its major functions, however, the State is necessarily re-negotiating its boundaries in the lives of its subjects, if only in matters of defence, justice, public works, and the dignity of the sovereign. And of course, re-negotiating these boundaries is tantamount to refashioning the parameters of political subjection; tantamount, in other words, to determining when, where, how, why and to what extent individuals should submit to the State. From this perspective, it is relevant to examine what political subjection looks like in a historical context where military campaigns are fought by professional soldiers; where justice is delivered by professional sheriffs, bailiffs, and judges; where public works are maintained either by professional agents and/or members answerable to a commission of trustees under the supervision of the State; where the dignity of the sovereign is tied to commanding a small professional workforce who maintain the symbols contributing to her status and high reputation; and where all of these functions are managed under the singular banner of the State.

2.1. On Subjection: Adam Smith and the Principles of Government

In order to highlight the relationship between subjection and the division of labour, let us begin by understanding how Smith defines subjection. The most explicit definition Smith provides is in LJ, in which he outlines the principles accounting for people's political subjection to the State. In this section, I aim to provide an overview of this account as well as demonstrate how Smith's principles of political obligation generally apply to the economy as well. I will then be able to examine how these principles intersect with the economic division of labour in the following section.

2.1.1. *An Overview of Smith's Principles of Political Obligation*

Smith's analysis of political subjection is outlined most clearly in his 1762-3 Glasgow lectures under the heading "Justice" and more specifically, in its first section entitled "Of the Original Principles of Government". By 'principles of government', Smith is referring to what I have called the principles of political obligation, or that which encourages people to obey government in specific circumstances for the sake of keeping the fabric of civil society intact—and let us not forget that what Smith means by 'government' corresponds to what we now call 'the State'. Smith begins his section by identifying the two principles "which induce men to enter into a civil society, which we call the principles of authority and utility." (Smith: 1896; 9) He then provides a summary description of each principle, which I consider significant to relay here. Of authority, Smith writes:

At the head of every small society or association of men, we find a person of superior abilities. In a warlike society he is a man of superior strength, and in a polished one of superior mental capacity. [...] But superior wealth still more than any of these qualities contributes to confer authority. This proceeds not from any dependence that the poor have upon the rich, for in general the poor are independent, and support themselves by their labour, yet, though they expect no benefit from them, they have a strong propensity to pay them respect. (Ibid; 9)

And of utility, he claims that:

Every one is sensible of the necessity of this principle to preserve justice and peace in the society. By civil institutions the poorest may get redress of injuries from the wealthiest and most powerful; and though there may be some irregularities in particular cases, as undoubtedly there are, yet we submit to them to avoid greater evils. It is the sense of public utility, more than of private, which influences men to obedience. It may sometimes be for my interest to disobey, and to wish government overturned, but I am sensible that other men are of a different opinion from me, and would not assist me in the enterprise. I therefore submit to its decision for the good of the whole (Ibid; 10-11)

The two principles of political obligation, as it were, correspond to what we may call "hard" and "soft" subjection. "Hard" subjection refers to the principle of authority which describes humankind's "strong" propensity to show deference (or "to pay respect" as Smith says) even when there is no clear benefit in doing so. This kind of subjection is "hard", in other words, because it is not immediately a means to any ends greater than itself. As Smith develops this principle further, he claims that it is a product of "natural" human impulses (i.e. a product of human nature). By contrast, "soft" subjection refers to the principle of utility and describes the

process by which individuals conclude that it is in their public interest to submit to the State in specific ways. In opposition to individual self-interest, the notion of public interest plainly accentuates the individual's interests as part of those of a larger civil society and not merely as her own in terms of personal utility maximization. This kind of subjection is "soft" because it implies that subjection proceeds from an exchange between State and individual which establishes civil society as the terrain of their mutual compromise. It proceeds from the fact that although individuals must give something up in their subjection, they can expect to receive something in return for their troubles. To put matters differently, this kind of subjection is "soft" because it is understood as a means to a greater and more beneficial end which is compatible with the individual's public interests in the largest sense of the term.

And so, we are ultimately left with two reasons for why the individual submits: one is out of impulse, and the other is out of benefit. Here, we notice exactly how distinct these principles are, and why Smith insists on there being two: it is because the one is not reducible to the other and vice-versa. These principles, rather, exist in tandem and are both present in the constitutions of all politically organized societies, albeit in different proportions: "[i]n all governments both these principles take place in some degree, but in a monarchy the principle of authority prevails, and in democracy that of utility." (Ibid; 11)

A final point of clarification is needed to complete this summary description: although the LJ reader might initially assume otherwise, Smith does not equate the utility principle of government with social contract theory. In fact, he spends the last two pages of this section explaining why social contracts are not a foundational principle of political obligation. He provides two complimentary reasons. Firstly:

[T]he doctrine of an original contract is peculiar to Great Britain, yet government takes place where it was never thought of, which is the case with the greater part of this country. Ask a common porter or day-labourer why he obeys the civil magistrate, he will tell you that it is right to do so, that he sees others do it, that he would be punished if he refused to do it, or perhaps that it is a sin against God not to do it. But you will never hear him mention a contract as the foundation of his obedience. (Ibid; 12)

Secondly:

[W]hen certain powers of government were at first entrusted to certain persons upon certain conditions, it is true that the obedience of those who entrusted it might be founded on a contract, but their posterity have nothing to do with it, they are not conscious of it, and therefore cannot be bound by it. It may indeed

be said that by remaining in the country you tacitly consent to the contract and are bound by it. But how can you avoid staying in it? You were not consulted whether you should be born in it or not. And how can you get out of it? Most people know no other language nor country, are poor, and obliged to stay not far from the place they were born, to labour for a subsistence. They cannot, therefore, be said to give any consent to a contract, though they may have the strongest sense of obedience. To say that by staying in a country a man agrees to a contract of obedience to government is just the same with carrying a man into a ship and after he is at a distance from land to tell him that by being in the ship he has contracted to obey the master. The foundation of a duty cannot be a principle with which mankind is entirely unacquainted. They must have some idea, however confused, of the principle upon which they act. (Ibid; 12)

Finally, Smith concludes his second argument in the following passage:

[U]pon the supposition of an original contract, by leaving the state you expressly declare that you will no longer continue a subject of it and are freed from the obligation which you owed it. Yet every state claims its own subjects and punishes them for such practices, which would be the highest injustice if their living in the country implies a consent to a former agreement [...] Contract is not therefore the principle of obedience to civil government, but the principles of authority and utility formerly explained. (Ibid; 13)

Smith does not want us to assume that submitting out of benefit implies the typical premises of the social contract theory: two independent parties on equal footing (the individual and the State in this case), a social transaction between those parties based on consent, the inalienable right of individuals to withdraw their consent or alternatively, to not to give it in the first place and finally, that civil society is the product (and not the terrain) of the individual and the State's social transaction. In fact, he addresses each of these premises in his two reasons to show why they do not reflect how political obligation works¹³. He begins by observing how most people

¹³ On the topic of Smith's critique of social contract theory, see Elias Khalil's "Is Adam Smith Liberal?" (2002) in the *Journal of Institutional and Theoretical Economics* (Vol. 158, no. 4). Khalil argues that Smith establishes that the reason why people obey the State is not primarily attributable to its ability to protect rights *à la* civil contract because that would suggest, contra Smith, that people obey the State for the same reason they obey their employer or large corporate entities. Rather, the reason people specifically obey the State has less to do with rational consent as social contract theorists understand it, and more with people's natural inclination to obey authority, which is the *differentia specifica* of the State. See also Donald Winch's *Adam Smith's Politics* (1978) and more specifically, chapter one, in which he critiques the "liberal capitalist perspective" of Adam Smith which applies nineteenth and twentieth century terms to understand an author whose writings and concerns are embedded in the eighteenth century. According to Winch, this perspective tends to falsely rank Smith's political ideas among the English tradition of liberal individualism beginning with Hobbes and Locke. And just as the notion of a "state of nature" is integral to the Hobbesian and Lockean political systems, Smith's account of natural liberty is forcefully placed at the centre of his thought to play a comparable role in this perspective: one that makes Smith an advocate for a system of political rule reflecting the economic character of liberty characterized by "a distinctive set of economic or property relationships—mediated by impersonal market mechanisms." (Winch:

who subject to the State do not understand themselves as doing it because they weighed the costs and benefits of obedience extensively and thus, rationally concluded that it was in their greater interest to do so. They either automatically assume that it is right to do, or follow others around them who have, or base their decision on the fear of punishment, etc. This suggests that Smith does not view submission, whether out of deference to authority or out of benefit, as originating from a rational cost-benefit calculation. But Smith continues: even if most people were to view their submission to the State in rational or cost-benefit terms, it would be impossible to apply on a practical basis. Individuals cannot consent to obey a State if they were born in the territory it controls because consent implies two independent parties on equal footing. Individuals, however cannot choose where they were born and thus, are required to obey their State with or without their consent. Furthermore, individuals cannot withdraw their consent from the State as easily as one could otherwise break a contract. Withdrawing from the State would mean leaving its borders and for most people, especially the ‘labouring poor’, it is either difficult or impossible to acquire the means to do. Again, this implies that their obedience is not strictly a matter of consent. And even if individuals were able to withdraw from the State, the State reserves the right to detain its individuals without their consent in specific circumstances which, from the perspective of social contract theory, should not be allowed to happen as easily as it does. Finally, all of these complications imply the existence of a civil society operating under specific rules of conduct before each specific individual chooses to consent to that society or its rules. The mechanisms of obedience, then, preclude the premises of rationality as social contract theorists understand them.

Smith’s critique of the premises of social contract theory clearly show that he does not view his principle of government as emerging from a strictly rational cost-benefit calculation. Rather, he suggests that people pursue their benefits not through the methodical application of reason, but simply by following what they assume to be their interest without taking the time to carefully verify their position. Applied to political subjection, this principle means that even when people obey the State out of utility, they are doing it out of a *perceived* benefit and not a *guaranteed* one—and this is precisely what Smith highlights when he observes that people obey the State, for instance, because they fear punishment, and not because they have deeply contemplated the matter. This insight may seem somewhat trivial from a semantic perspective,

1978; 13-4) For Winch, this perspective is ultimately reductive of Smith’s politics and fails to account, among other things, for principles of political obligation and critique of social contract theory as presented above.

but it is significant from a political one because it introduces two important elements to subjection:

(1) *The possibility that people misread or misinterpret their interests when submitting to the State.* This means that they may believe it to be more beneficial than harmful for them to obey the State when, in reality, it is the opposite. It also means that people may submit to the State under false pretenses and therefore, that the State-backed system of order may be founded under false pretenses in specific political circumstances.

(2) *The idea that political subjection evolves throughout history; that it evolves “without the effect of human wisdom” (i.e. unconsciously) and therefore; that it evolves alongside developing material and political conditions.* If subjection based on utility were founded on the premises of social contract theory, then it would be ahistorical to a large degree. It would demand, no matter the historical period, that individuals assemble with the State and rationally determine the philosophical conditions in which it is legitimate or illegitimate to obey. The variables in the calculation would certainly change based on the degree of material and political development achieved by society, but the general formula to calculate subjection would express itself in the same way from one stage of history to the next. Not so, however, when subjection is largely unconscious and not entirely rational (even when it is done out of utility). In that case, the unconscious features predisposing humans to obey express themselves differently to accommodate different economic, political, and historical arrangements. And by that very fact, it suggests that the general formula of political subjection changes from one historical stage to another.

The second point will be especially important later in this chapter because it leaves two crucial questions open: under what historical conditions are people more or less likely to misinterpret their interests when they submit to the State out of utility? Are people more or less inclined to submit to the State under false pretenses in ‘commercial societies’? Unfortunately, Smith does not provide any direct indication of how these questions can be answered. He develops a theory on four successive stages of history in the following sections of his lectures on justice, and uses that theory to demonstrate how principles of authority and utility combine in different proportions at different periods to form different social and political arrangements (Ibid; I.i.2-13). However, his furthest reflections seem to end some time around the era of the English civil war, King Charles II, and the adoption of a parliamentary monarchy in England

(Ibid: I.i.11)—i.e. considerably before the economic division of labour of his time which he chronicles at the beginning of WN, and under the heading ‘Police’ in LJ. If we accept Smith’s assertion that the progress of the division of labour shapes the different social and political organizations throughout history, then we need to explore how the economic division of labour in ‘commercial societies’ affects the shape of its corresponding political organization. With that, we can begin to explore the shape of political subjection in ‘commercial societies’ as well.

2.1.2. *Do The Principles of Political Obligation Also Apply to the Economy?*

Let us now take a step back to address an important issue: Smith’s principles of political obligation are meant to explain how and why people are ‘induced to enter into a civil society’ and thus, to obey the State which protects that society. But as of yet, it is unclear how these principles apply to the economic sphere and more specifically, to the economic division of labour in ‘commercial societies’. It is one thing, after all, for the citizen to obey the State, but it is another for the worker to obey her boss or to do her job. The two are not immediately compatible and this leaves a number of questions open: do Smith’s principles of political obligation apply to the economic sphere at all? Is it fair to suggest that people obey their boss and follow their workplace operations either out of utility or authority like they do with the State? Is a different principle of obligation at play in economics? And if the principles of obligation are the same in economics as in politics, what kind of historically specific forms does obedience take in ‘commercial societies’?

There are two elements to the previous questions, and we must examine each of them separately to provide answers. The first element asks whether people follow the same general principles when they obey in the economic and political spheres of society. The second element, which only comes into play if economic and political obedience follow the same general principles, asks how the economic division of labour in ‘commercial societies’ specifically affect utility and authority as the dual expressions of subjection.

2.1.2.1. *First Element: Do People Follow the Same General Principles When They Obey in the Economic and Political Spheres?*

Following Adam Smith’s ideas, we can claim that the principles of obligation apply to the economic sphere just as well as they do to the political sphere. First and foremost, this is because Smith’s principles of obligation are *psychological* principles and therefore, are reflective of “human nature” more generally. In this sense, they apply to all spheres of social life (economics and politics included) although their expressions may vary from one sphere to

the next. We notice the psychological undertones to Smith's principles of obligation in the final sentences of his introductory description of authority:

This [authority] principle is fully explained in the Theory of Moral Sentiments, where it is shown that it arises from our sympathy with our superiors being greater than that with our equals or inferiors: we admire their happy situation, enter into it with pleasure, and endeavour to promote it. (Ibid; 10)

These sentences are significant because TMS is, in its most general sense, a work dedicated to understanding the psychological underpinnings of morality. His argument consists in finding the pre-moral foundations to moral sentiments. He finds those foundations, as the above passage mentions, in the innate psychological propensity for human beings to sympathize (i.e. to share in the joys and sorrows of others). This propensity, according to Smith, is a basic foundation of "human nature". It is an expression of how the inner voice nature speaks to us through our instincts, impulses, and the like. And since the impulse to obey authority is here featured as a by-product of our innate tendency to sympathize, it suggests that this principle of obligation (or obedience) falls under the jurisdiction of psychology. The propensity to obey authority, then, applies to all dimensions of human life for the same reason that any expression of "human nature" does: because human nature or, if we prefer, our "psychology" is present to some degree in everything that we do. It cannot be completely sectioned off from any one area of social life.

The same argument applies to the principle of utility. Although Smith does not explore it to the same degree as authority in TMS, the symmetry between utility and authority in LJ is enough in and of itself to conclude that they are both *psychological* principles. But there is even more proof in Smith's body of work: utility features quite strongly, albeit somewhat implicitly, in the notion of *self-interest* as it appears in chapter two of Book I of WN. To illustrate, let us recall the famous butcher, brewer and baker passage from earlier:

It is not from the benevolence of the butcher, the brewer, or the baker that we expect our dinner, but from their regard to their own self-interest. We address ourselves not to their humanity but to their self-love, and never talk to them of our own necessities, but of their advantages. (Smith: 1827; 6-7)

The presence of utility is undeniable in this passage. In the historical context of commercial societies, the ability for an individual to secure her livelihood is dependent upon the ability to communicate to others how she may benefit them, and how they are to benefit her in return. There is no clearer demonstration of the language of personal utility maximization; and although utility does not feature in WN to explain how and why people obey the State, it

nevertheless follows the same principles as it would if it did: to act out of benefit, and to establish social relationships (whether economic, political or otherwise) accordingly. What is especially important to note at this juncture is that Smith's analysis of self-interest in Book I of WN is also an examination of human nature. Speaking from the language of self-interest is something that Smith partially attributes to humankind's "natural" propensity to truck, barter, and trade—an "innate" propensity existing alongside the impulse to sympathize and to seek the approbation of others, which Smith outlines in TMS¹⁴. (Paganelli: 2011; 125-8) As an expression of human nature, utility also falls under the jurisdiction of psychology, and it also acts, like authority, as a staple feature of human identity which applies to all facets of social life—even if its mode of expression varies from one facet to the next.

To summarize, utility and authority are both *psychological* principles speaking to human nature first and foremost. As expressions of human nature, they apply to all facets of social life—to economics just as well as to politics. This does not mean that these principles

¹⁴ The view that Smith's account of self-interest in WN and sympathy in TMS are not only compatible, but part of the same overarching conception of human nature, is a relatively novel position in the secondary scholarship on Adam Smith as it challenges what is known as the 'Adam Smith Problem' articulated at the turn of the nineteenth century. In short, the 'Adam Smith Problem' contends that Smith vacillated between two incompatible positions in his body of work: 1) that virtue is the most workable standard in life (as developed in TMS), and 2) that self-interest is a prime motivating force in the way human beings address one another (as developed in WN). (Fitzgibbons: 1997; 3) The "Adam Smith Problem" therefore leads to the conclusion that Smith's economics and morals are incompatible and therefore, should be treated separately from one another. Recently, scholars have been rejecting the conclusions of the "Adam Smith Problem", and have generally questioned the premise that Smith's account of sympathy in TMS and self-interest in WN are a testament to an internal inconsistency within Smith's system of thought.

Among recent scholarship challenging the 'Adam Smith Problem', we have, for instance, Athol Fitzgibbons' *Adam Smith's System of Liberty, Wealth, and Virtue: The Moral and Political Foundations of the Wealth of Nations* (1997). In his work, Fitzgibbons explores Smith's wider body of work to retrieve compelling evidence of Smith's intention to develop a comprehensive and integrated system of economics, politics, and morals. On this basis, Fitzgibbons dismisses the 'Adam Smith Problem' as being improperly framed: Smith's larger body of work, Fitzgibbons argues, reveals that he did not intend to separate economics and morals, but to explore how one could be practically and realistically integrated into the other. In other words, his goal consists in developing a comprehensive system that allows, among other things, self-interest to expand within (and express itself through) the framework of moral virtue. In order to comprehensively examine Smith's larger system of thought, Fitzgibbons proceeds by identifying its major foundations (morals, politics, and economics) and reviewing each of them through the lens of their corresponding theme (virtue, liberty, and wealth respectively). But more generally, Fitzgibbons' arguments suggest that the themes of virtue, liberty, and wealth are indicative of an even more fundamental theme holding Smith's system together: that of nature with a capital 'N' which directs human behaviour (whether moral, economic, or otherwise) towards self-actualization.

Fitzgibbons is far from the first scholar to reach this kind of conclusion. In his article entitled "Historicizing the 'Adam Smith Problem'" (1986), Laurence Dickey suggests that there are "three rather than one or two motivating centers" (587) to Adam Smith's body of work: the first is the original 1759 version of TMS, the second is WN, and the third is the revised sixth edition of TMS published in 1790. The sixth edition of TMS finalized after WN, brings major changes to the original edition in order to better account for Smith's economic analysis. Like Maria Paganelli (2011), I interpret this to mean that Smith did not envision TMS to be in contradiction with WN (124).

For additional analyses on the 'Adam Smith Problem' and the relationship between TMS and WN, see Ingrid Peters-Fransen's "The Canon in the History of the Adam Smith Problem" (2000), James Otteson's "The Recurring 'Adam Smith Problem'" (2000), and L. Montes' *Adam Smith in Context* (2004).

express themselves in exactly the same way when workers obey their boss and when citizens obey the State. It means, rather, that in both the economic and political spheres, the fundamental impulse to obey (whether out of utility or authority) comes from the same basic “impulses” featured in our inner lives. It means, in other words, that these principles generally apply to economics as they do to politics, even if their mode of expression differs from one sphere to another. But this also means that it should be possible to observe the general trends and patterns of obedience that apply to both economics and politics.

This conclusion is also supported by Smith’s analysis on the historical development of wealth in Book III and State expenditures in Book V of WN. Ultimately, Smith’s analysis rests on a fairly simple notion: that the economic organization of a given society at a given historical stage influences its corresponding political organization. I have even used that notion to demonstrate how Smith connects the division of labour in ‘commercial societies’ to a political organization where the State specializes its own administrative operations to keep pace with the growing production of wealth.

This idea is not exclusive to WN: Smith originally develops it in LJ in his theory on the four stages of history. In each stage, Smith endeavours to demonstrate how the formation of government pertains to the economic arrangements of that society; there is a particularly illustrative example of this in his second stage of history, the ‘shepherd’ stage, where Smith explicitly associates the creation of government to rising inequality ‘among personal fortunes’ (Smith: 1898; 15). What this once again shows is that Smith considers economics and politics to exist along the same social continuum. Where the general patterns of Smith’s principles of political obligation are concerned, it means that they not only have something to say about how people obey the State but also, how people obey their boss or otherwise follow orders in the workplace.

2.1.2.2. *Second Element: What Does Subjection Look Like in ‘Commercial Societies’?*

As stated previously, Smith believes that both principles of political obligation are present in every State throughout history. He also mentions that each State is the result of a historically specific admixture of these principles. In monarchical States, for instance, the principle of authority is dominant whereas in their democratic counterparts, utility is the most important principle. This raises the question: which principle of obligation is dominant in the economic and political spheres of ‘commercial societies’, and why? Smith avoids providing

his reader with an explicit answer, but the subtext of his works makes one quite clear: utility wins the day as the dominant expression of subjection in the economic and political organizations of ‘commercial societies’.

It is easy to observe how the political arrangement of ‘commercial societies’ calls upon the principle of utility: Smith clearly implies this principle when he discusses the State’s major functions in Book V of WN. By focusing on matters of defence, justice, public works, and the dignity of the sovereign to define politics, he is narrowing the meaning of politics to those areas of political administration that encourage individuals to submit to the State out of utility. Submission in matters of defence and justice carry the benefit of being protected from foreign invaders or crime. Submitting in matters of public works carries the benefit of having infrastructure that either facilitates commerce, or allows individuals to elevate their ‘moral’ condition through education and instruction. And submitting to support the dignity of the sovereign carries the benefit of knowing that one’s country is either well regarded or perceived as powerful by others. Each of these functions suggests that the State and individuals mutually benefit from the latter’s subjection to the former. The State benefits because it is free to fulfill its major administrative functions without serious resistance from the population. In turn, individuals benefit because they are compensated for their subjection by promises of military and judicial protection, infrastructure facilitating their private activities, and by the knowledge that their country’s institutions are taken seriously by other countries. There is no submission out of authority here because the individual’s compliance is bought by the State at a certain price. It is the product of an exchange, even if this exchange is never explicitly conducted on the basis of a rational cost-benefit calculation¹⁵.

The economic arrangement of ‘commercial societies’ is also organized around the utility principle. But it mobilizes this principle in slightly different ways than the political realm. We find its clearest indications in the first three chapters of Book I of WN as Smith discusses the productive advantages of the division of labour. The butcher, brewer, and baker passage from earlier is one example because it suggests that in a society where individuals depend on the labour of more people than they have friends, it is more useful for them to secure their livelihood by appealing to other people’s interests than by relying on their goodwill. If individuals submit to satisfying the interests of others in relations of commercial exchange, it

¹⁵ We will explore the areas where the authority principle of political obligation apply to ‘commercial societies’ in the next chapter.

is because they know that they will ultimately receive something which they need in return. Utility therefore governs private and economic relations of exchange. But the butcher, brewer and baker passage only explains why individuals submit to exchange relations out of utility. It does not explain why individuals submit to the division of labour, or the “productive” dimension of the economy. For supporting passages on that, we must again turn our attention to chapter one of Book I where Smith explicitly argues that submitting to the principles of the division of labour not only allows workers to secure their livelihood, but that it will materially improve their lives by unlocking the productive powers of the economy in general:

It is the great multiplication of the productions of all the different arts, in consequence of the division of labour, which occasions, in a well-governed society, that universal opulence which extends itself to the lowest ranks of the people. Every workman has a great quantity of his own work to dispose of beyond what he himself has occasion for; and every other workman being exactly in the same situation, he is enabled to exchange a great quantity of his own goods for a great quantity or, what comes to the same thing, for the price of a great quantity of theirs. He supplies them abundantly with what they have occasion for, and a general plenty diffuses itself through all the different ranks of the society. (Smith: 1827; 9)

Workers submit to the operations of their workplace because in exchange for their labour, they receive a salary which they can use to acquire commodities they could not produce for themselves while they were working. But there is an additional benefit: according to Smith, the division of labour unlocks the productive powers of the workplace and, by extension, of the economy to an unprecedented degree. In a well-governed society, Smith stipulates, this increase in productivity allows workers to exchange a greater proportion of their labour on the market to secure an ever greater quantity and quality of commodities. And so, when workers submit to the division of labour in ‘commercial societies’ out of utility, it is a dual submission: a submission to their particular jobs, and a submission to the general process by which labour is divided and specialized in the belief that it will gradually improve the material conditions of their lives.

In the economic sphere as well as the political, in the workplace as with the State, individuals living in ‘commercial societies’ practice their subjection primarily out of utility. But the expression of utility varies from one sphere to the other. In the economic realm, utility is expressed through private interest whereas in the political arena, it takes the form of public

interest. We know what obedience in the service of public interest entails for Smith since he explicitly illustrates it in his description of the utility principle of government: “it may sometimes be for my interest to disobey, and to wish government overturned, but I am sensible that other men are of a different opinion from me, and would not assist me in the enterprise. I therefore submit to its decision for the good of the whole.” (Smith: 1896; 10-11) The illustration makes clear that public interest evaluates the individual’s particular interests against those of the larger social landscape of which she is a part to determine the best course of action. In extreme situations, that can mean, as it does with the above illustration, that the needs of the prevailing social landscape supersede the private needs of the individual. But in all cases, it means that individual interests are weighed against those of the society of which she is a part because it is understood that she is only an individual insofar as she is a member of society. The exercise of her public interest is an exercise in aligning her particular and general interests along the same social continuum. It is an attempt to reconcile her private and public existence in a single decision or course of action as much as possible.

Smith’s definition of public interest is clear. It is found in a single and easily-identifiable passage in LJ which establishes a straightforward contrast between public and private interest. The notion of private interest, which is synonymous to self-interest, does not get the same treatment. It is not defined in a single passage. Rather, Smith alludes to it in many passages scattered across different chapters of WN. These allusions do not serve to establish a general definition of self-interest so much as they are used to develop other topics: the division of labour, the human propensity to ‘truck, barter and exchange’, etc. As a result, no clear and general definition of private (or self-)interest appears. Furthermore, Smith never underscores the connection between private interest and economics as clearly and succinctly as the one between public interest and ‘civil government’. This makes it more difficult to outline what it means for workers to submit to the economy out of utility in ‘commercial societies’ than it does to understand why citizens of those same societies obey their ‘civil government’. Nevertheless, the butcher, brewer and baker passage, as well as Smith’s initial treatment of the division of labour, provide some strong and relevant clues: they allow us to conclude that submitting to the economy out of utility means deriving personal benefits from obeying its general trends and patterns. In the context of ‘commercial societies’ specifically, that obedience means working a highly specialized job in exchange for a salary used to acquire the necessities of life. It means, in other words, securing my livelihood by performing work tasks that are useful to others in order to exchange the value of those tasks for what is useful to me.

At this juncture, the economic structure of ‘commercial societies’ reveals a complex web of interdependent private relations. On the surface, it is a structure where individuals take turns submitting to each other in an incessant ebb and flow of work and exchange, of production and distribution, for the purpose of eventually satisfying their particular needs. What seems to keep individuals from breaking the rules of this ebb and flow, is the knowledge that their turn will come; *they* will eventually receive *their* salary and when *they* do, *they* can spend it to pursue *their* own good however *they* see fit. This is their private interest in action: accepting that they will have to perform the same specialized economic operations over and over again at their job, while patiently waiting their turn to spend their latest earnings.

Earlier, I argued that Smith’s critique of social contract theory suggests that when citizens submit to the State out of public interest (read: public utility), they are doing it out of a *perceived* rather than a *guaranteed* interest. We can now see how the same argument applies to economic subjection: workers do not rationally evaluate whether their job is actually beneficial to them, but instead assume that it is without taking (or having) the time to make a careful assessment. The same is true for when workers exchange their salary for commodities on the market: they spend their salary based on what appears to satisfy their needs most immediately, and rarely bother to assess whether the commodities they buy are the best use of their money. This is because in the economic sphere as well as the political, in the private realm as well as in public, rationality does not automatically follow from the pursuit of utility for Smith. The gap between rationality and utility opens up another between what *appears* useful, and what *actually* is. This gap suggests that workers could be exploited in their economic activities. They could, in other words, submit to more than they bargained for when they accept to work for the “benefits” of their menial and repetitive jobs. In what follows, I will explore what that “could” looks like.

2.2. *Subjection and the Economic Division of Labour*

2.2.1. *Private Interest and the Economic Division of Labour*

There is an interesting conundrum between Smith’s notion of private interest and its relationship to the economic division of labour. On the one hand, we have outlined how in Book I of WN, Smith tacitly argues that the division of labour is beneficial for individuals because it allows them to acquire the material wealth needed to pursue their self-interest efficiently. In that context, the individual’s capacity to pursue her private interest is directly bound to the productive advantages of the division of labour. On the other hand, Smith also

recognizes in Book V of WN that the performance of the same working operations under the division of labour negatively impacts the worker's private interest, because it gives her

“[...] no occasion to exert [...] understanding, or to exercise [...] invention, in finding out expedients for removing difficulties which never occur”, and ultimately renders her “incapable of relishing or bearing part in any rational conversation, [...] of conceiving any generous, noble, or tender sentiment, and consequently of forming any just judgement concerning many even of the ordinary duties of private life.” (Ibid; 327)

This passage is often read as if it were meant to establish what comes afterwards: Smith's grave concern that workers in 'commercial societies' become unable to judge the great and extensive interests of their country, to defend their country in times of war, or to develop the moral, martial and intellectual virtues required to fully participate in the public life of their society. But if we read the passage carefully, we observe that it implies something else: that the state of “stupidity” and ignorance which the labouring poor risk falling into, rob them of the necessary faculties to assess what is actually good for *them*—to say nothing of what is good for their country.

On the surface, we are led to a seemingly impossible conclusion: Smith believes that the division of labour is both beneficial and harmful to the worker's private interests because it allows her to pursue them, but not properly. However, the conclusion is not as contradictory as it initially appears. It simply suggests that the mechanisms of the division of labour separates people's *perception* of their private interests from what they are *in actuality*, and appeal to the former to the detriment of the latter. In so doing, the division of labour brings about a social climate in which people's subjection to the ebb and flow of the workplace is predicated on the illusion of personal utility. In a larger sense, it creates a social climate where people submit to the rigors of the economic sphere on the basis of this illusion and under false pretenses.

2.2.1.1. *Subjection and the Collapse of Self-Interest into Social Conformity*

The idea that individuals can pursue an *illusion* of their private interests to the detriment of their *actual* private interests is not foreign to Adam Smith. In fact, he explores the idea in the sixth edition of TMS published in 1790, which includes considerable revisions to the previous editions. Among those revisions, Smith clarifies his view of self-interest through his analysis of prudence—a necessary virtue, Smith argues, to counter the social ills of

‘commercial societies’. As Ryan Patrick Hanley states in *Adam Smith and the Character of Virtue* (2009), Smith’s account of prudence:

[...] aims to substitute for an emphasis on short-term self-interest an appreciation of what Tocqueville would later call self-interest rightly understood. Put differently, Smith’s account aims to prompt reconsideration of the very ends and desires of the self by fostering a renewed appreciation of interests that lie beyond more immediate and familiar, but less fundamental, interests. (113)

Hanley’s argument is supported by Smith’s actual definition of prudence which responds to David Hume’s understanding of utility through the following explanation:

[...] the qualities most useful to ourselves are, first of all, superior reason and understanding, by which we are capable of discerning the remote consequences of all our actions, and of foreseeing the advantage or detriment which is likely to result from them: and secondly, self-command, by which we are enabled to abstain from present pleasure or to endure present pain, in order to obtain a greater pleasure or to avoid a greater pain in some future time. In the union of those two qualities consists the virtue of prudence, of all the virtues that which is most useful to the individual (Smith: 1809; 257)

According to Smith, self-interest (which is synonymous to private interest) is comprised of two qualities: rational foresight and self-command. Combined, these qualities extend the individual’s pursuit of self-interest beyond the present and onto the future, so that she may “abstain from present pleasure, in order to secure greater pleasure to come.” (Ibid; 258) For Hanley, the pursuit of self-interest through prudence is important to Smith for both economic and moral reasons. Economically, prudent individuals are able to detect “the unavoidable obstructions which the natural course of things opposes to the immediate or speedy establishment of a better system”, and to overcome those obstructions not by offering quick-fix solutions but instead, by pursuing “a long course of frugality and industry”. (Smith: 1827; 93-4) Morally, it provides the steadiest path for individuals to satisfy their desire for recognition (i.e. for the esteem of others), stemming in turn from the innate human propensity to sympathize. To the economic and moral reasons Hanley identifies, we may also add a political one: the pursuit of self-interest through prudence emphasizes the importance of delayed gratification which, in turn, postpones the satisfaction of desires long enough for the individual to determine whether her short-term personal advantage aligns with her long-term public interests. In fact, this is exactly what is involved in Smith’s illustration of public interest in his utility principle of political obligation: an individual submits to the State for the good of the whole despite it being personally advantageous for her to disobey (Smith: 1896; 10-11). In that,

our titular individual displays a remarkable combination of rational foresight and self-command extended beyond her immediate advantage expressed in terms of personal disobedience, so as to serve a greater purpose in the future and for the public.

Smith's analysis of prudence reveals how the appearance of self-interest does not always correspond to its reality. In certain conditions, individuals are inclined to evaluate their interests by ignoring the long-term and by focusing instead on short-term gratification. As they do, they commit a grave economic and moral mistake: they determine what is useful to them by retreating to what is immediate and familiar. In so doing, they become insensitive to the long-term impact of their actions on themselves, on others and on society writ large. In their insensitivity to themselves, individuals commit an economic mistake because they purge themselves of the motivation to calculate whether their pursuit of short-term pleasures comes at the price of long-term personal harm. We have an example of this error in Book III of WN when Smith highlights how feudal lords let their avidity for material gain get the better of them by trading their economic influence over other men (i.e. the source of their social power) for useless trinkets like diamond buckles. (Smith: 1827; 169) In their insensitivity to others, individuals commit a moral mistake because they deprive themselves of the ability to partake in the joys and sorrows of others, thereby obstructing their natural inclination to seek and take pleasure from approbation. If we follow Hanley's analysis of Smith's conception of prudence, we observe that Smith outlines certain psychological and political dangers attached to these mistakes: business, restlessness anxiety and duplicity. (Hanley: 2009; 102) For Smith, anxiety occurs as the individual obstructs her own search for approbation. It occurs as she becomes insensitive to others and thus deprives herself of the opportunity to find pleasure in gratifying one of her most natural inclinations: to take pleasure in someone else's company. By depriving herself thus, the individual induces a kind of anxious restlessness which continually torments her mind, and prevents her from "knowing when [she is] well, when it [is] proper for [her] to sit still and to be contented." (Smith: 1809; 205) Duplicity, on the other hand, emerges out of a combination of the previously described moral and economic mistakes: it combines the dangers of vanity present in the avidity for social status and material gain with the moral anxiety accompanying the individual's obstructed search for the approbation of others. Ultimately, duplicity culminates in the corrupted belief that individuals are more likely to achieve their personal goals through deceit than by honesty. It is also worth noting that Hanley never expressly specifies why duplicity in particular poses a political danger for Smith.

In Hanley's account of Smith, vanity, anxiety, and duplicity go hand in hand to form some of the most dangerous social and political ills in 'commercial societies': vanity distorts the natural desire for approbation into a love of superiority; the solicitude for superiority induces restlessness and anxiety insofar as it seeks to obtain the esteem of others without being sensitive to their joys and sorrows; and securing the esteem of others while being indifferent to their joys and sorrows encourages duplicity (Hanley: 2009; 52). At the heart of this connection between vanity, anxiety, and duplicity, Hanley argues that there is an even more fundamental problem: the explosion of egocentrism. The problem of egocentrism calls back to Smith's idea of self-love which, if left unchecked, grows into a form of self-deceit. Self-love magnifies our personal preferences and misrepresents "what is fit and proper to be done in our particular situation." (Smith: 1809; 218) Smith's reflections on self-love, if not the expression itself, encourages Hanley to argue that when individuals misrepresent their interests to themselves, it is because they have retreated behind what is most familiar and pleasurable *to them personally*. According to this line of thinking, the individual's distorted pursuit of self-interest effectively reduces her judgement of what is useful to an exercise in navel-gazing, and to the instrumental attainment of one's most immediate personal desires along the path of least resistance. The individual is perceived to be self-absorbed because she is unable to understand any perspective beyond her own. All that she encounters in her private pursuits is brought back to her personal desires so that nothing else exists to the same degree as her needs and/or ambitions.

From this perspective, we are able to better infer how Hanley understands the political dangers of duplicity in Smith's TMS: dishonesty and inauthenticity stem from the individual's distorted judgement which misrepresents her interests in favour of her most immediate and familiar personal desires. Her faulty judgement imprisons her behind the narrow walls of her ego. She only develops her relationships with others in order to gratify her own needs and thus, instrumentalizes other people's joys and sorrows to attain her personal goals even more efficiently. In so doing, she closes herself off from what she actually needs from others, and becomes incapable of conceiving public interest as that which is good for *everyone* living within the same society. Here, politics devolve to matters of personal intrigue and the *politeia* risks disintegrating under the widespread mistrust between citizens. At the centre of this mistrust, we return to the core of the problem like an old and worn-down refrain: the singular, self-absorbed, self-regarding, self-obsessed and navel-gazing ego.

If we apply Hanley's account of egocentrism to our analysis at face value, it leads us to conclude that by magnifying the gap between people's *perception* of self-interest and their self-interest "rightly understood", the division of labour in 'commercial societies' is disadvantageous because it socializes workers to privilege their unchecked ego over everything else. While I do not contest that Hanley's argument is perfectly consistent with Adam Smith's practical ethics in TMS, I would nevertheless contend that Smith suggests something else in his assessment of the negative social impacts of the division of labour. Indeed, when Smith writes that workers have "no occasion to exert [...] understanding, or to exercise [...] invention, in finding out expedients for removing difficulties which never occur", and that it renders them "incapable of relishing or bearing part in any rational conversation, [...] of conceiving any generous, noble, or tender sentiment, and consequently of forming any just judgement concerning many even of the ordinary duties of private life" (Ibid; 327), he is not suggesting that workers are reduced to their most selfish impulses but rather, that they lose the opportunity to exert the faculties which form their ego in the first place. The constant repetition of the same work operations is not a sign of the worker's increasingly unchecked ego, but of its gradual disappearance behind and through the routinized performance of menial economic tasks. This point is especially clear in the section entitled "On the Influence of Commerce on Manners" in LJ, since it features a famous passage serving as the precursor to Smith's subsequent critique of the division of labour in WN. The passage explicitly focuses on how the division of labour invariably shrinks the worker's consciousness and therefore, illustrates the loss of her ego more plainly than its corresponding passage in WN:

There are some inconveniences, however, arising from a commercial spirit. The first we shall mention is that it confines the views of men. Where the division of labour is brought to perfection, every man has only a simple operation to perform; to this his whole attention is confined, and few ideas pass in his mind but what have an immediate connexion with it. When the mind is employed about a variety of objects, it is somehow expanded and enlarged, and on this account a country artist is generally acknowledged to have a range of thoughts much above a city one. The former is perhaps a joiner, a house carpenter, and a cabinet-maker, all in one, and his attention must of course be employed about a number of objects of very different kinds. The latter [has a] kind of work [which] employs all his thoughts, and as he had not an opportunity of comparing a number of objects, his views of things beyond his own trade are by no means so extensive as those of the former. This must be much more the case when a person's whole attention is bestowed on the seventeenth part of a pin, or the eighteenth part of a button, so far are divided these manufactures. (Smith: 1898; 255-6)

Let us be clear: I am not arguing that Smith was incorrect in his assessment of vanity, anxiety, and duplicity in TMS. Rather, I wish to indicate that the explosion of these phenomena in ‘commercial societies’ is better explained by the ‘labouring poor’ having no opportunity to form any consistent sense of self than it is by an explosion of egocentrism and ‘self-love’. What vanity, anxiety, and duplicity showcase is much subtler and much more politically dangerous than what Hanley seems to suggest: when the individual worker’s inability to form a proper sense of self combines with her “natural” inclination to seek the approval of others, it leads her to search for approval through distinctions rooted in social appearances like rank, status, or wealth. The more “distinguished” she appears, the closer she feels to having developed a sense of self. But there are two interconnected problems here: 1) her “sense of self” entirely depends on others noticing how “distinguished” she is and thus, does not exist outside of their gaze. 2) When this morally corrupt search for distinction becomes sufficiently widespread to characterize a whole society, it implies that citizens of that society, who are also workers for the most part, become fixated with the appearance of distinction rather than understanding what that distinction is supposed to signify. These problems indicate that the pursuit of self-interest becomes a beacon of social conformity, and prepares people for subjection to the powers that be instead of those from which they would derive the most private and public utility. They indicate, in other words, that individual workers are lost without a properly developed ego or sense of self, and look to social structures and other people to see what they should value and what they should do. This is how individual workers come to submit to the economic structures of ‘commercial societies’: by seeing that everyone else is submitting to them and preemptively concluding from this observation that these structures are the most efficient way to attain “distinction” for themselves. What they do not consider, however, is how their pursuit of “distinction” which has become synonymous to their pursuit of self-interest, is completely absorbed by the economic structures which set the rules of the pursuit. This makes them unable to assess whether these structures work in their actual interests or merely in the appearance of those interests, just as it forcibly reconciles them with the worst abuses committed within those structures. Smith’s critique of social contract theory returns here in all of its relevance, and lends its meaning to one of the most famous maxims of the twentieth century: “we do not know who discovered water, but it was almost certainly not a fish.”

Let us avoid any misunderstandings before proceeding any further: when I state that the economic division of labour erases the individual’s sense of self instead of bringing out her most selfish and egocentric impulses, I do not mean that the individual ceases to retreat behind

what is familiar and immediate. Rather, I mean that what is familiar and immediate to her is not what she personally desires, but what the world of social appearances tells her she should desire to distinguish herself from others in order to attract their attention. This corresponds to a loss of self because it suggests that the individual does not have a properly formed internal reference-point to establish what is useful to her. She is told what is useful by external forces, and follows their rules in the pursuit of her private interest to a greater or lesser degree. What characterizes the individual here is not her ability to set the pursuit of her own self-interest in motion, but the extent to which she follows the parameters of the pursuit already established for her. Her individuality, then, is already measured against the standard by which she conforms to social expectations and reduces her private activities to an expression of obedience and conformity. This is precisely why I believe that vanity, anxiety, and duplicity are best understood through the disappearance of the individual's sense of self in 'commercial societies'.

Insofar as vanity and duplicity are predicated on chasing appearances instead of building character, they betray their underlying anxieties and insecurities quite clearly. It is those insecurities that make the anxious and duplicitous individual eager to follow the rules and thus, easy to manipulate. It is those insecurities that easily reduce her to a unit of social management or political administration. The truly selfish and egocentric individual, by contrast, does not care about social appearances nearly as much as the individual with no sense of self. She only seeks her personal advantage and shows little to no concern for whether that pursuit aligns with social conventions. Her sense of self may be distorted and misshapen, but it is nevertheless there; and it provides an imperfect counterweight to the world of social pressures. The truly selfish individual is not burdened by anxiety, and she is more difficult to manipulate than the individual with no sense of self. She knows what she personally desires (even if it is not to her long-term benefit) and whether social appearances will actually help her attain that which she pursues. She does not need as much external validation from others to engage in her pursuit. For that reason, she is also ill-equipped to follow orders and would find great difficulty in adapting to a social climate where she is expected to repeat the same menial work tasks for the better part of her waking life in order to satisfy her personal desires.

2.2.1.2. *Automation, the Loss of Self, and Subjection*

Thus far, I have argued that the mechanisms of the economic division of labour undermine the pursuit of self-interest (read: private interest) by erasing the individual's sense

of self and thus, by making it difficult for her to distinguish what *appears* useful to her from what is *actually* useful. In this sense, our argument returns to the insights derived from Smith's critique of social contract theory in LJ. I further argued that the disappearance of a proper sense of self magnifies social expectations on the individual, and increases pressures on her to pursue her interests based on social appearances. I then concluded that these pressures turn the individual's attention away from the social structures which set the rules for her pursuit of self-interest and thus prepare her subjection to those structures. The explosion of vanity, anxiety, and duplicity in 'commercial societies' are the moral conditions of that subjection and more generally, are a sign the individual's plasticity in the absence of a properly formed sense of self. There is one thing, however, that I have not yet shown: how the mechanisms of the division of labour specifically produce this loss of self. For that, we return to the social disadvantages of the division of labour.

At this juncture, there are two dimensions to the social disadvantages of the division of labour. The first dimension, which I outline both in this and the previous chapter, is that the division of labour specializes economic activity to such an extent that workers no longer have the chance to exert their general understanding through the performance of their routine economic operations. As a result, they are no longer able to develop those faculties which exercise their reason and better judgment, and become "as stupid and as ignorant as it is possible for a human creature to become" (Smith: 1827; 327). This component is what impedes the individual from properly pursuing her private interest in commercial societies. The second dimension, which I outline in the previous chapter, is that the specialization of work operations under the economic division of labour make it ever more difficult for workers to remove themselves from their economic operations. This is because the division of labour organizes work in such a way as to make the operations of any one individual worker (or group of workers) entirely dependent on the all of the other operations required to sustain it in the workplace. In this context, it becomes impossible to remove even one worker (or group of workers) from her operations without affecting the entire production-chain of the workplace. When these two dimensions combine, they create the conditions by which individual workers are socialized to subject to the prevailing power structures in society.

When Smith writes that the division of labour confines "the great body of people" to "a few simple operations; frequently one or two" in "their employment" (Ibid; 327), he is tacitly suggesting that the specialization of labour tends to automate workplace operations. In other words, he is suggesting that the productive gains of the economic division of labour partly stem

from workers saving time when they only have to perform the same one or two operations throughout their workday. And they save time because they no longer have to apply conscious thought to what they are doing. Their time is entirely, or almost entirely, dedicated to the execution of tasks devoid of their conceptualization. Smith does not explicitly accentuate the idea of automation as the driving principle of the division of labour, but it nevertheless serves as the impetus for all three of its productive advantages:

firstly, the increase of dexterity in every particular workman; secondly, to the saving of the time which is commonly lost in passing from one species of work to another; and lastly, to the invention of a great number of machines which facilitate and abridge labour, and enable one man to do the work of many. (Ibid; 6)

I have already explained above how the increase of the worker's dexterity is conditional on automation: her productive activities no longer demand her to apply conscious thought to her actions and thus, allow her to develop her skills in one or two simple operations by focusing exclusively on their execution. The same principle of automation is at play when the worker is no longer obligated to transition from 'one species of work to another'; she no longer has to apply thought to make the transition and instead, can concentrate even more of her energies towards the unconscious execution of her highly specialized (read: narrow) tasks. From this perspective, the mechanization of work represents nothing but the next step in workplace automation: it replaces workers whose operations have become mechanized to the point of turning them into figurative machines, with literal machines who, unlike the human workers they replace, make fewer mistakes, never tire, and are specifically designed to do nothing else but execute menial tasks. This is precisely where the social disadvantages of automation come into play.

The progressive automation of the worker's productive operations prevent her from identifying what is useful because assessing what is useful is a sign of intelligence, and because automation precludes the exercise of intelligence by eliminating conscious thought from the work process. In other words, automation precludes intelligence because thinking requires some level of conscious effort, whereas the constant repetition of the same menial work tasks implies the opposite: the performance of actions that do not require conscious thought or intention. This appears to be the reason why Smith claims that the labouring poor are not able to conceive "of any generous, noble, or tender sentiment" or to form "any just judgement concerning many even of the ordinary duties of private life." (Ibid; 327) when they work under

a sophisticated division of labour. It is not that they are incapable of forming *any* judgement, but that they are never given the opportunity to exercise their *best* judgement by evaluating if their increasingly automated actions align with their motivations. Workers must assume, instead, that their actions automatically match their motivations/interests as they are working without giving it any conscious thought for the better part of their working day. They must automatically assume, in other words, that their submission to the economic operations of the workplace is useful to their private life without ever assessing the extent to which it either is or not. This, in turn, prepares the worker to mindlessly follow their boss' orders. But it is also what prepares the worker to assume that whatever they purchase with their salary on the marketplace automatically satisfies their private interest in the best possible way. Here, the commodities on the marketplace play the role of what is familiar and immediate and thus become the object of the worker's self-deceit. They magnify what social appearances dictate the worker should privilege, and misrepresent what is fit and proper for her to value in a particular situation.

The concept of automation illustrates what the negative social effects of the division of labour imply: that work is organized into an intrinsically harmful activity for individual workers precisely because it is made to be mindless. The mechanical execution of mundane tasks does not allow the worker to develop a sense of what is useful to her and by extension, of who she is. Without a proper sense of self, she becomes more inclined to disregard her long-term interests in favour of what is immediate and familiar. She becomes more inclined, in other words, to exchange long-term pain for short-term gain. And it is this inclination, which Smith attributes to the problem of 'self-love' in TMS, that reconciles individual workers to the economic system of 'commercial societies' despite its long-term harmful effects on them. Those harmful effects, as we have examined them in this chapter thus far, are briefly summarized in the following list: the *loss of self* accompanying the mindless repetition of the worker's tasks; the spread of *self-deceit* among workers as a consequence of their progressively automated work functions; the *deterioration of the worker's capacity to determine what is useful to her* without referring to social appearances; the *loss of critical faculties* stemming from this deterioration, including those cultivated by way of "rational conversation" and "generous, noble, and tender, sentiments"; and the promotion of mindless obedience to the prevailing economic system—an economic system that subverts the pursuit of private interest into the need to maintain the chain-like structure of its division of labour.

The second dimension to the social disadvantages of the division of labour comes into play here. By increasingly confining workers to their work operations, the economic division of labour imprisons them within its intrinsically harmful effects. We have already explained why a few paragraphs earlier: when work is specialized, it increases the individual worker's dependency on all of the other tasks performed in her workplace. The more specialized her work becomes, the less opportunity she has to extricate herself from her work tasks without obstructing those of her workplace as a whole. This not only means that the individual worker has fewer opportunities to partake in her civic duties but more generally, that she has fewer opportunities to partake in the amount of leisure required to cultivate one's private interests. Work effectively consumes the rest of her life. It structures her moments of non-work by determining when and how long they are. The inverse, however, is not true. Her moments of non-work do not determine, but instead indicate, when or how long she works. This suggests that the second dimension magnifies the harmful effects of the first. In other words, if work and non-work were better balanced in 'commercial societies', the intrinsically harmful effects of the former could conceivably be contained by the benefits of the latter. But in reality, the division of labour in 'commercial societies' organizes work in a way that makes it impossible to achieve this balance. Work becomes far too specialized and automated to operate at a leisurely pace or to allow for long periods of genuine leisure. The level of dexterity required to perform one's tasks becomes so great, and the transition from one task to another becomes so smooth, that the worker cannot unexpectedly abandon her job without potentially harming the production-chain of the entire workplace. While she is at her job, which absorbs a greater and greater amount of her time, she has no opportunity to exert her judgement on what is truly useful to her, nor does she have the opportunity to develop who she is. She is instead expected to remain vigilant, on-call, and always responsive to the demands of her workplace. She is prepared, in other words, for a lifetime of subjection insofar as she is conditioned to respond to the momentum of external forces through repetition and the automation of her economic activities/tasks.

2.2.2. *Public Interest and the Economic Division of Labour*

It is only after Smith outlines the deleterious effects of the division of labour on the pursuit of private interest that he moves to its effects on the quality of the individual's public existence:

Of the great and extensive interests of his country he is altogether incapable of judging; and unless very particular pains have been taken to render him

otherwise, he is equally incapable of defending his country in war [...] His dexterity at his own particular trade seems, in this manner, to be acquired at the expense of his intellectual, social, and martial virtues. (Ibid; 327)

The arrangement and timing of Smith's argument is hardly arbitrary. He is suggesting that if the division of labour deprives individuals of forming proper judgements on the ordinary duties of private life, then it equally deprives them of the capacity to judge on public matters. To make this kind of argument, Smith must tacitly contend that the individual's private and public faculties, alongside the private and public spheres more generally, are connected to one another insofar as they exist along the same social continuum. This is precisely what allows Smith to present his critique of the division of labour as he does in WN: if the private and public lives of individuals exist along the same social continuum, then it is impossible for the division of labour to negatively affect the individual's private faculties without undermining her public faculties as well. Likewise, it is impossible to properly understand how Smith views the negative social effects of the division of labour on public life without presenting the connection between the public and private spheres first.

2.2.2.1. *The Connection Between Private and Public Interest*

Conventional wisdom currently suggests that politics is exclusively a public matter. In this view, politics is that which concerns the population as a whole and concurrently, the structure or constitution of society. According to this wisdom, politics is also antithetical to the private sphere and the business of day-to-day life. This is because the private sphere concerns that which belongs to, or is for the use of, one particular person or group as opposed to the population as a whole. Insofar as politics refers to the affairs of the *politeia* (or politically organized society), it is not designed to properly address, engage or decide upon matters specific to the life of a singular person or group. If we read Smith's body of work closely, however, we observe that he rejects this conventional wisdom and appears instead to suggest that politics contains both a public and private component.

The private component refers to what we may call the character of the *politeuma*; it pertains to the competencies which the individual citizen must develop privately but that are nevertheless required for her to fulfill her civic duties properly. The public component, by contrast, returns to what we have stated above: the structure or constitution of society (read: *politeia*). But it also includes something else: the process by which citizens gradually learn to extend the competencies which they develop privately but that are nevertheless necessary for their civic duties, to the business of public life as a whole. In other words, the public sphere

includes the process whereby citizens acquire the ability to translate their capacities for “rational conversation”, “generous, noble, and tender sentiments”, etc., into an active commitment to the public good and the well-being of the *politeia*. From this perspective, it is easy to understand how the private and public components of politics are complementary: the *politeia* could not sustain itself without a well-developed *politeuma* since the constitution of society is actualized through the competencies of the citizen body—the narrower the overall breadth of competencies, the more unstable the constitution. In much the same way, the *politeuma* could not develop its competencies effectively without a strong *politeia* as its background since the constitution of society directs the individual citizen’s capacities towards a higher point of actualization—a point that is beneficial to both the individual citizen and the *politeia* because it encourages the former to act upon her interests “rightly understood”, and guarantees the stability of the latter through a well-trained, highly competent population capable of sound judgement beyond immediate and familiar matters.

The complementarity between the private and public components of politics allows the reader of WN to gain a deeper appreciation for the way Smith presents his critique of the social disadvantages of the division of labour in Book V. The division of labour in ‘commercial societies’ is predicated on confining workers to the automated repetition of the same few menial work operations. It also makes it more difficult for workers to extricate themselves from their job because the highly specialized nature of labour reduces the worker’s individual autonomy in the workplace. The structure of the division of labour thus confines the worker’s general understanding of the world to the few menial operations she must perform as part of her job—a job which monopolizes the better part of her day and therefore acts an essential component of her *socialization*. The all-too-predictable result is that workers, who also form the majority of the citizen body, are not *socialized* to privately develop those capacities allowing them to pursue their interest “rightly understood” and that are also required for them to fulfill their civic duties—the loss of self and the explosion of vanity, anxiety, and duplicity owe to this tragic result. The overall character of the *politeuma* deteriorates below the level at which the *politeia* can reasonably expect to either sustain itself or remain in good health; and the general decline in the breadth of competencies among the citizen body becomes a matter of public concern in the process. This is the context in which Smith calls upon government to intervene to take “great pains” to reverse “this [deteriorated] state into which the labouring poor, that is, the greatest body of the people, must necessarily fall” in “improved and civilized society”. (Ibid; 327) What is especially important to accentuate in this argument is that the public sphere is threatened

because the private sphere is already deteriorating; because without the support it ordinarily receives from the private sphere, the public sphere could topple for lack of a solid foundation. And as we will see in the following section on the political division of labour, the consequences of this potential “toppling” involve what Smith calls the loss of ‘public spirit’, the rise in the ‘spirit of systems’, and the reduction of public interest to the citizen’s uncritical subjection to systems of public order based primarily on social appearances.

Before moving to the next section, I want to underscore how Smith specifically addresses the private and public components of politics in his body of work. The private component pertaining to the character of the *politeuma*, is principally addressed through Smith’s practical ethics in TMS (and more notably following its sixth edition). We have partially examined these ethics with Ryan Patrick Hanley in an earlier section on Smith’s ideas on self-love, egocentrism, vanity, anxiety and duplicity. Although I rejected the idea that Smith attributes the social disadvantages of the economic division of labour to an explosion of egocentrism in WN, the subtext of Smith’s ethics in TMS nevertheless reveals his general concern for the character of the citizen body. To be sure, Smith’s concern for the character of the *politeuma* is expressed through the problem of self-love. But the subtext of this problem clearly indicates that the most fundamental danger self-love poses is not that it leads to egocentrism. Rather, the capacity to make sound judgements is obstructed because ‘self-love’ instinctively magnifies what is immediate and familiar over the things the individual should actually prioritize. (Hanley: 2009; 72-3) In other words, Smith’s moral concern in TMS has more to do with self-deceit than it does with selfishness, even if the two are oftentime conflated in TMS.

More than egocentrism, the dangers of self-deceit highlight why Smith believes that the individual’s personal journey to lead a good and ethical life must culminate in a larger commitment to society, to exercising ‘public spirit’ and to work towards the well-being of the *politeia*. Simply put, the individual’s larger commitment directs her privately developed faculties and “natural” search for approbation towards something outside of her immediate range of concerns. In this way, her commitment helps her to escape the dangers of excessive ‘self-love’. In this way, the individual can improve her judgement and avoid misrepresenting the things on which she must take action, by directing her faculties and “innate propensities” towards something that does not immediately concern her. Society and the *politeia* are the

perfect “something” to improve her judgement because they are sufficiently connected to the life of the individual citizen to matter, but are not so immediate to her concerns as to distort her judgement. They matter to the individual insofar as her search for approbation and concurrently, the pursuit of her own good in her own way, organically expand her perspective to include the larger social and political environment of which she is a part. This connects the individual’s interests to the interests of her society and *politeia*, and encourages her to judge things according to their actual (as opposed to their perceived) value by attaching her private pursuits to the larger and less immediate goals/outcomes of the social and public spheres of which she is a member. At the same time, society and the *politeia* are sufficiently detached from the individual’s immediate concerns that they do not directly represent a matter of personal survival for her. The fact that they are not viewed as a matter of personal survival removes their urgency and affords the individual citizen a clearer (i.e. more dispassionate) perspective to properly assess social and political situations. This dispassionate perspective is not only beneficial to the individual’s social and political life but to her private life also, since it can be applied to provide her with a more balanced account of her own affairs; it gives her the opportunity to apply rational foresight and self-command to secure greater pleasure for her in the future than what her present affords.

The previous argument suggests two complementary points: 1) the individual must develop the virtues which eventually prepare her for her civic duties privately. This is because these virtues are acquired through her personal experience, which is ultimately her own and cannot be replaced by anyone else’s. 2) Those privately acquired virtues cannot fulfill their promise of overcoming self-deceit without a strong social and public sphere to gradually guide the individual’s immediate perspective towards something greater but less familiar: that of society and the *politeia* writ large. Smith acknowledges the first point in TMS through the idea of the “impartial and well-informed spectator”: that “man within [the breast], the great judge and arbiter of [the individual’s] conduct.” (Smith: 1809; 189) In essence, the impartial spectator acts as the individual’s conscience; and the reason individuals develop their virtues privately is because one of the core motivations behind their actions is to make the impartial spectator sympathize with their actions (Ibid; II.ii.2.1). The individual’s pursuit, in other words, is private insofar as it is always partly accountable to one’s conscience and thus, to the singular and unique conversation that individuals have with themselves. At the same time, Smith addresses the second point by acknowledging how socialization directs the impartial spectator towards the right social, political, and moral avenues: “The man within the breast, the abstract and ideal

spectator of our sentiments and conduct, requires often to be awakened and put in mind of his duty, by the presence of the real spectator". (Smith: 1809; 209)

In reference to this passage, Dionysios Drosos states the following in *Alienation and Market Society* (1996): "It is quite clear that here, Smith alludes to the necessity of a real system of social controls to exist, if not to establish the perfect virtue of agents, to prevent them, at least, from doing harm to each other." (331) These social controls serve to complement the individual's conscience and coordinate her "conversation with herself" with the larger social and political conversation in which she partakes. It serves to expand her viewpoint and to correct her "natural propensity" to falsely magnify those things which are familiar and immediate. Without stable social and political controls to guide the individual's "natural propensities", the individual loses herself just as she is entrapped in a world of deceit. Her conscience never extends to the world beyond what is familiar. Likewise, her resolve is confined to what Smith calls "selfishness", and what I have attributed to the loss of self: disintegrating meaningful social and political relations through vanity, anxiety and duplicity, rewarding the instrumental attainment of personal "distinction" based on appearances instead of character, and catering to the impulses that uncritically obey external economic and social forces which set the rules of the pursuit for private/public interest. Without stable social and political controls, then, the private and singular individual could be socialized to subject to external forces out of deceit, i.e. by trading the guarantee of their long-term harm for what they perceive to be immediate benefits.

The public component of Smith's politics arises as the economic division of labour creates working conditions that cater to humankind's potential for self-deceit by confining their perspective to a few mundane, repeatable and progressively automated work tasks. These working conditions socialize individuals to make errors in judgement by systematically cutting them off from their larger social and political environment. This becomes a matter of public concern, i.e. a matter that concerns the *politeia*, because errors in judgement are systematically socialized within the general working conditions of the majority of the population; and because when errors in judgement become a generalized feature of society, they forecast a potential breakdown of those relationships that organically tie citizens to social and public life, and that hold the structure of the *politeia* together. Drosos highlights this point as well in *Alienation and Market Society*, and correctly claims that it becomes the basis on which Smith calls for State intervention:

A careful reading of TMS strengthens the assumption that the idea of an active state intervention in order to secure an approximation to the principles of the system of natural liberty - a regulative ideal for market society - had been formed in Smith's mind before he wrote WN. Such an intervention aims at preventing the degeneration of the socialising sentiment of self-love into the sentiment of selfishness that leads to the disintegration of society. The development of control systems (interior impartial spectator - social rules - system of justice - public spirited politics) aims at the enforcement of self-command which is considered as the main foundation of all social virtues. (Ibid; 332)

This passage ultimately shows how Smith's preoccupation with the character of the *politeuma* in TMS is tied to his concern for the stability of the *politeia* in LJ and WN. In so doing, it supports the idea that Smith envisions both a private and public component to politics; and that the components are so intertwined that if one were to topple, the other would follow suit.

2.2.2.2. *Subjection and the Collapse of Public Interest in the State's Administrative Functions*

Earlier, I mentioned that public interest, which is identical to Smith's conception of public utility, involves submitting to the State and "civil institutions" to "preserve justice and peace in society" as well as to "avoid greater evils". (Smith: 1898; 10) Although Smith never specifies what he means by "avoiding greater evils", the expression itself calls back to the character of the *politeuma* and more specifically, to virtues which the individual citizen must acquire privately but that serve in the fulfillment of her civic duties. 'Avoiding greater evils', after all, implies a sober evaluation of present and future outcomes; of short and long-term interests measured against both the prospect of personal advantage and of the public good. It relies on the capacity for rational foresight and self-command, i.e. the two essential components of prudence, as necessary preconditions to public interest. I also alluded to this point previously when I suggested that prudence involves delayed gratification which postpones the satisfaction of immediate desires long enough for the individual citizen to measure short-term personal advantage against her long-term public interest as a member of the *politeia*. Public interest "rightly understood", then, establishes the just conditions for subjection on the *politeuma*'s capacity for sound judgement. It precludes the dangers of self-deceit because if members of the citizen body were inclined to deceive themselves in their judgements, they would no longer be able to assess when it is actually useful or appropriate for them to subject to State rule.

As Smith moves his critique of the division of labour from its negative social effects on the private sphere to its negative effects on the public sphere, he suggests that the pursuit of public interest “rightly understood” disappears alongside the *politeuma*’s opportunity to exercise sound judgement. This is to say that if citizens are not properly socialized to evaluate short-term gratification against their long-term interests, they will not be able to determine what is truly useful and thus, will deceive themselves in both their private and public pursuits. Without a properly developed sense of public interest in particular, they will not be able to decide when it is appropriate and just for them to submit to State rule. They will instead leave that responsibility to the State as if it were a natural part of its administrative functions. In so doing, members of the citizen body give the State enough power to redefine their individual pursuit of self-interest, i.e. the pursuit of their own good in their own way, in light of its particular interests: maintaining order through defence, justice, public works, etc. In other words, they give the State enough power to transform their desire for a life well lived into an assertion of the need for State-backed order. Their quest for happiness is thus reduced to a matter of social management and loses the qualities by which it could otherwise become a rich and beautiful adventure in life.

The process by which the State co-opts the *politeuma*’s responsibility to partake in public life is embedded in the systemic progress of the division of labour. As previously mentioned, the division of economic labour operates by specializing work to such a degree that workers are almost completely integrated within their very specific job operations in the workplace. As a result, workers find it more and more difficult to remove themselves from their jobs for sustained periods of time and thus, do not benefit from the necessary amount of leisure to meaningfully partake in their civic duties. They are left with little choice but to leave more and more of their unattended civic duties to the State and likewise, must hope that the State will administer those duties in light of their interests while they are away at work. In leaving the better part of their civic responsibilities to the State because they are occupied at work, workers, who also form the majority of the citizen body, are largely limited to judging the State’s actions based on appearances because they lack the opportunity to develop the skills to measure those appearances against the reality of their situation. The result, then, is that the State can get away with maintaining order under false pretenses, i.e. by selling the appearance that its system of rule is beneficial to workers who do not have the time, the opportunity, or the skills as citizens to do anything but buy it. If we follow our earlier argument to its timely conclusion here, it means that the State’s system of order in ‘commercial societies’ is

antithetical to what Smith calls ‘public interest’. *Antithetical*; because in words close to Aristotle but quite familiar to Smith, the modern State is structured to undermine the faculties by which citizens determine what is useful and not useful. By the same token, it undermines those faculties around which the very same citizens form an association of living beings which we may rightly call political.

I would like to conclude this section by way of an example in order to further clarify the idea of workers being completely integrated into their job operations and unable to partake in their civic duties. Among many examples scattered throughout his body of work, Smith emphasizes one in particular in his account of the social disadvantages of the division of labour: that the “dexterity at [the worker’s] particular trade seems [...] to be acquired at the expense of his [...] martial virtues” among others, and that “[the worker] is incapable of defending his country in war” as a result. (Ibid; 327) We have discussed this example at greater length in the previous chapter, but Smith effectively summarizes the argument as follows:

In a more advanced state of society, two different causes contribute to render it altogether impossible that they who take the field should maintain themselves at their own expense. Those two causes are, *the progress of manufactures, and the improvement in the art of war* [my emphasis]. (Smith: 1827; 290)

In opposition to workers in previous periods of history, workers operating under a sophisticated division of labour “must [...] be maintained by the public so long as they are in [military] service” (Ibid; 291) for two complementary reasons. Firstly, workers in ‘commercial societies’, who are in “great part [...] artificers and manufacturers” (Ibid; 291), engage in a kind of work that is designed to satisfy someone else’s needs rather than their own directly. This is to say that these workers do not live off of what they make. Instead, they live off the salary which they receive for what they make. As such, they cannot produce what they need to sustain themselves in preparation for a military campaign and thus, like the “smith, carpenter [or] weaver”, the artificer cannot “quit his workhouse” without “the source of his revenue completely [drying] up.” (Ibid; 291) Secondly, with the progress of manufactures, war becomes “a very intricate and complicated science, when [it] ceases to be determined, as in the first ages of society, by a single irregular skirmish or battle, but when the contest is generally spun out through several different campaigns” (Ibid; 291). As war protracts in commercial societies due to its growing complexity, it makes it even more difficult for ordinary workers and citizens to partake in them and thus, to exercise their martial virtues when the opportunity arises. The result, of course, is

that it becomes more advantageous for the State to train a professional military than to involve regular workers/citizens in matters of defence:

The art of war, however, as it is certainly the noblest of all arts, so in the progress of improvement it necessarily becomes one of the most complicated among them. The state of the mechanical, as well as some other arts, determines the degree of perfection to which it is capable of being carried at any particular time. But in order to carry it to this degree of perfection, it is necessary that it should become the sole or principal occupation of a particular class of citizens, and the division of labour is as necessary for the improvement of this, as of every other art. Into other arts the division of labour is naturally introduced by the prudence of individuals, who find that they promote their private interest better by confining themselves to a particular trade than by exercising a great number. (Ibid; 291)

In the previous passage, Smith highlights the productive advantages of making the military trade ‘the sole or principal occupation of a particular class of citizens’ in ‘commercial societies’: when the State specializes its defence function to keep pace with the economy, individual workers have the opportunity to continue improving their particular trade without being burdened by their civic or military obligations. This, in turn, is beneficial to their self-interest because workers increase their chances of success in ‘commercial societies’ if they learn one trade excellently rather than two very well. It is in this sense that Smith believes it is economically “prudent” for a worker to specialize in a particular trade. But the word “prudence” overstates the advantage because it does not consider the negative social effects of economic specialization of defence. When Smith finally reaches his reflections on education and the economic division of labour later in WN, he intimates to those effects by commenting on the worker’s inability to defend her country in times of war. However, he highlights the connection between the loss of martial virtues and the economic division of labour more clearly in the following passage from LJ:

Another bad effect of commerce is that it sinks the courage of mankind, and tends to extinguish martial spirit. In all commercial countries the division of labour is infinite, and every one’s thoughts are employed about one particular thing. In great trading towns, for example, the linen merchants are of several kinds, for the dealing in Hamburg and Irish linens are quite distinct professions [...] Each of them is, in a great measure unacquainted with the business of his neighbour. In the same manner war comes to be a trade also. A man has then time to study only one branch of business, and it would be a great disadvantage to oblige every one to learn the military art and to keep himself in the practice of it. The defence of the country is therefore committed to a certain set of men who

have nothing else ado, and among the bulk of the people military courage diminishes. (Smith: 1898; 257-8)

Shortly thereafter, Smith provides even more detail on the effects of diminishing military courage in ‘commercial societies’:

A commercial country may be formidable abroad, and may defend itself by fleets and standing armies, but when they are overcome and the enemy penetrates into the country, the conquest is easy [...] These are the disadvantages of a commercial spirit. The minds of men are contracted, and rendered incapable of elevation. Education is despised, or at least neglected, and heroic spirit is almost utterly extinguished. (Ibid; 258-9)

Here, the notion of “heroic spirit” rests on the fact that when people’s “minds [are] not enervated by cultivating art and commerce, [...] they [are] ready with spirit and vigor to resist the most formidable foe.” (Ibid; 259) Smith pursues the argument by writing that the conquest of a ‘commercial society’ is easy when its professional armies are removed. In that case, working citizens would not easily take up arms against conquering armies because the division of labour would narrow their attention to such an extent as to make them docile to the point of subservience (if not insensitive to those who exert power over her situation). It is in this light that Smith’s titular worker seems willing to accept a foreign conqueror with almost the same kind of indifference as she treats her own State. There is, in both cases, a general disregard for who is ruling, under what conditions and how. And this “spirit of indifference” is precisely what signals the citizen’s removal from public life because it is founded on an inability, catered to and abetted by the working conditions of the majority of the *politeuma*, to differentiate a State who actively serves the public interest from one acting like “a foe”. Without this ability to differentiate one from the other, there is no sustained spirit or vigor to guarantee the conditions of either prudence or justice and thus, nothing substantial to ensure that prudence or justice are socialized into the present or future character of the *politeuma*.

What is true in our previous example on defence also applies to justice and public works as functions of the State. This is because the crux of the argument follows the same pattern in each case: as the division of economic labour progresses, the State hires and trains professionals/specialists to fulfill its major functions. The professionalization and specialization of the State’s administrative functions testify to and provide further justification for the ordinary worker’s/citizen’s removal from politics and public life. The removal itself occurs as ordinary citizens are too busy at work to care for the business of politics themselves, but it is also true

that their increasingly demanding working conditions deprive them of the time and opportunity to care for politics even if they wanted to. The logic behind the ordinary citizen's removal from politics is therefore tautological, and always culminates in the same outcome: a State divorced from the majority of its citizen body in the pursuit of its administrative functions; a State that is free to set the conditions by which the *politeuma* follow its rules as it decides how to prioritize its defence, justice, and public works tasks; a majority of the citizen body made so listless by the highly specialized and automated character of their jobs that they become insensitive to how those conditions are established; a "*politeia*" held together by a system of order that fast-tracks the process by which public interest is established to make its political division of labour as "efficient" as possible; a "*politeia*" that runs so quickly and efficiently that it cannot run on anything but deceit which, in this case, corresponds the mistaken belief that everything flashing before the *politeuma*'s eyes is exactly as it seems.

Ultimately, what ordinary citizens lose through the professionalization and specialization of political activity is the ability to provide meaningful oversight to the State and thus, *to give it direction*. Their removal from the function of military defence deprives them of the capacities by which they could otherwise rouse the spirit and vigor to resist when the occasion calls for it. Their removal from the task of justice means that they cannot actively do their part to ensure that every member of society is largely free from the oppression of every other member. And their removal from the function of public works suggests that they lose their say in what infrastructure should be built to satisfy what needs, and whose. There is no guarantee that ordinary citizens would oversee these functions perfectly if they still had the power to do so, as Smith's reflections on self-deceit so poignantly suggest. However, the issue goes far beyond matters of efficiency. In the final analysis, it concerns the danger of automating the exercise of political power. When citizens lose the capacity to give direction to the State, they lose the capacity to know when they should take direction from it also. In this context, citizens become more and more inclined to defer matters of public interest to the State and to leave the boundaries of its rule unchecked in practice. In so doing, they gradually become an object of the State's administration in the same way that matters of defence, justice, and public works do. And as we have discussed above, the citizen body's growing fixation on social appearances in 'commercial societies' is not only indicative of this process, but serves to accelerate it even further as well.

2.3. *Subjection and the Political Division of Labour*

What I have called the “political division of labour” also represents the culmination of the *politeuma*’s removal from public life. On a surface level, this argument is not difficult to understand: if the business of politics is increasingly relegated to professionals and specialists working for the State, ordinary citizens have less and less to do in the political sphere. Their contributions to public life narrow and generally become more superficial as a result. And as the *politeuma*’s contributions to public life narrow, individual citizens become more valuable to ‘commercial societies’ and their State apparatus either as workers, consumers, or objects of political administration than as full-fledged citizens. In fact, the individual’s narrow range of experiences in ‘commercial societies’ reflects this reality. Smith is not entirely unaware of this tendency, and it seems to preoccupy him to some extent when he discusses the moral and intellectual degradation of the ‘labouring poor’. But there is more to this argument than what lies on its surface, even if Adam Smith did not explicitly address it in his reflections on the historical development of State expenditures.

The advent of the “political division of labour” represents a significant shift in the way that politics are both practised and theorized. And the shift begins with what I have already discussed in the previous chapter: innovations prompted by the economic division of labour change the fabric of society to such an extent that the value of the political sphere is measured against its ability to keep pace with this change and thus, with the economy as the primary engine of social transformation. From there, a string of interconnected implications ensue: the value of politics is increasingly connected to its ability to deliver administrative services like defence, justice and public works because those services directly cater to the social transformations unlocked by the economic division of labour. In the same vein, political activity is increasingly conflated with State activity, since the business of defence, justice and public works are State functions first and foremost. Generally, these connections/conflations suggest that politics is gradually being reduced to an exercise in maintaining order and security through the State: security from external threats through the defence function, and security from internal harm through the justice and public works functions. Concurrently, the public component of politics is expunged from its meaning the more political activity concentrates around State-backed administrative services. The more State functions like defence, justice, and public works are specialized and conducted by a small group of professionals, the further away they occur from the rest of society. And the further away they occur from society, the more difficult it is to retrace their impact on the *politeia*. Their fragmentation creates the

impression that the public sphere is disappearing and by the same token, that it does not exist beyond the administrative services delivered by the State to its population for purposes of security and control.

The necessary corollary to this erosion of the public character of politics is a reduced concern with the overall stability and health of the *politeia*, and an increased focus on order and population control through the citizen's subjection to State rule. This is not to say that concern for the *politeia* disappears altogether but rather, that its stability and health is largely reduced to a single metric: the *politeuma*'s undisturbed compliance to State rule. The very notion of order is reduced, in other words, to a *crass materialism* which contains the assumption that people are at their most real when they are raw material for the State to work on; when they passively respond to stimuli crafted through the State's policy-making apparatus; when they are thrust forward into time and space by the arm of government; when their highest social value is earned not through what they give back to society, but through what they are expected to receive from it. Although it is not exactly what Smith intended, his depiction of the worker who conceives of no "generous, noble, or tender sentiment", who bears no capacity "for any rational conversation", who is "incapable of forming any just judgement on the ordinary duties of [her] private life" or on "the great and extensive interests of [her] country" (Smith: 1827; 327) follows the same character profile as the listless and apathetic citizen living under this *crass materialism*.

This profile also reappears in other areas of Smith's thought to address different, albeit complimentary, issues. It reappears in TMS with Smith's concern for the explosion of vanity, anxiety, and duplicity in 'commercial societies'. The "explosion", as it were, is reflective of a social climate where noble and tender sentiments are lost to individuals who have been conditioned from genuinely seeking the approval of others by spontaneously sharing in their joys and sorrows. Likewise, it reappears where the capacity for rational conversation is lost alongside the individual's sense of self; where forming just judgements on the ordinary duties of private life is lost to a growing fixation on social appearances; and where forming sound judgements on the interests of one's country is made all the more difficult as automation obstructs the individual from exercising her ability to reconcile her own interests to those of her society. Finally, this character profile appears in Smith's passage on the negative consequences of commerce on manners in LJ. As Smith claims, the narrowing of the worker's mind with the division and specialization of labour induces a kind of 'mental torpor' which makes the worker 'as stupid and ignorant as it is possible for a human creature to become'. The

accompanying loss of “heroic” spirit in society indicates the worker’s growing lethargy in the face of her economic obligations—obligations so stringent and demanding that they leave her with little energy to promote or the public good against the business of States and their specialists.

Wherever it appears in Smith’s body of work, this profile is a perfect encapsulation of powerlessness. It portrays what happens to people who do not have the opportunity to develop their virtues or a general understanding of the world. What is more, it portrays people who find themselves in the condition of having nothing meaningful to contribute to public life beyond their quiet and uncritical subjection to the powers that be. But this profile only tells a part of the story: it tells the story of how workers and the ‘labouring poor’ are churned through menial, repetitive and mind-numbing working conditions. It tells the story of a lethargic and overworked *politeuma* which is conditioned to take orders and thus, is better prepared to accept the boundaries of order dictated to them by the State. What it does not reveal, however, is the profile of those who give orders in ‘commercial societies’, i.e. of those who make political decisions for the *politeuma* and ‘labouring poor’. In Smith’s body of work, we find this profile in the ‘man of system’.

2.3.1. *The ‘Man of System’ and the Loss of Public Spirit*

The ‘man of system’ appears in a specific section of Part V of TMS entitled “On the Influence of Custom and Fashion Upon Moral Sentiments”. Smith describes him as someone who partakes in the art of government, but who aspires to organize government according to an ideal system of rule he has devised, and which abstracts from the necessary nuances of politics. The ‘man of system’, as it were, views the government as a well-oiled machine. He expects that people conform to its design rather than the other way around. For the ‘man of system’, the people over whom government rules are reduced to objects of total administration. Their capacity for autonomy is sacrificed to his ideal plan of government. Any fault in the plan or any exception to the rule is either dismissed, denied or attributed to something else:

The man of system [...] is apt to be very wise in his own conceit; and is often enamoured with the supposed beauty of his own ideal plan of government, that he cannot suffer the smallest deviation for any part of it. He goes on to establish it completely and in all of its parts, without any regard either to the great interests, or to the strong prejudices, which may oppose it. He seems to imagine that he can arrange the different members of a great society with as much ease as a hand arranges the different pieces upon a chess-board. He does not consider

that the pieces upon a chess-board have no other principle of motion besides that which the hand impresses upon them; but that, in the great chess-board of human society, every single piece has a principle of motion of its own, altogether different from that which the legislature might choose to impress upon it. (Smith; 1809; 319)

Smith's illustration is rather poignant and insightful in and of itself—we need not reach far into our imagination to picture politicians or civil servants who wish to reorganize society around their misguided ideals—but it is even more so when put back into its original context. Smith writes of the 'man of system' in chapter two of Part V of TMS. In the latter half of that chapter, and shortly before he introduces the 'man of system', he provides a definition for what I have called the *politeia*, and what he would instead refer to as the constitution of the state (by which he means the politically organized community):

Upon the manner in which any state is divided into the different orders and societies which compose it, and upon the particular distribution which has been made of their respective powers, privileges, and immunities, depends, what is called, the constitution of that particular state.

Upon the ability of each particular order or society to maintain its own power, privileges, and immunities against the encroachments of every other, depends on the stability of that particular constitution. That particular constitution is more or less altered, whenever any of its subordinate parts is either raised above or depressed below whatever had been its former rank and condition. (Ibid; 314-5)

Shortly thereafter, Smith uses this definition to clarify what political activity consists of: the power to enact (and therefore decide on) change and/or conservation at the highest levels of social organization. Each course of action (change or conservation) is driven in turn by distinct moral sentiments: change expresses our “earnest desire to render the condition of our fellow-citizens as safe, respectable, and happy as we can”, whereas conservation privileges our “respect and reverence for that constitution or form of government which is actually established”. (Ibid; 315) Smith writes that enacting change becomes desirable when the impulse to “respect the constitution which is actually established” is no longer able to guarantee a “safe, respectable, and happy condition’ for fellow-citizens”. By contrast, the desire for conservation is most popular in “quiet and peaceable times”, i.e. when the existing form of government appears as “the best expedient for maintaining the safe, respectable, and happy situation of our fellow-citizens.” (Ibid; 315) The distinction between the moral sentiments behind change and conservation may seem somewhat pedantic, but Smith insists upon it in order to illustrate how difficult it is to choose the right course of action in politics under the right circumstances: “[...]”

it often requires [...] the highest effort of political wisdom to determine when a real patriot ought to support and endeavour to re-establish the authority of the old system, and when he ought to give way the more daring, but often more dangerous spirit of innovation.” (Ibid; 316) Politics requires a kind of wisdom that finely attunes us to the careful balance between ‘each particular order of society’, which forms the constitution or *politeia*. Enacting any kind of political action, whether in favour of change or conservation, is more likely to benefit the *politeia* as a whole when it is attuned to the dynamics between ‘each particular order of society’ and every other. The sheer complexity and multi-faceted character of those dynamics is enough to make political action, whether change or conservation, a difficult endeavour. As a result, Smith believes that political action is successful when the wisdom behind it is equal to the complexity and multi-faceted character of the *politeia*.

The ‘man of system’s’ character comes on full display at this exact juncture. His ideal plan of government completely disregards the kind of political wisdom required to ensure the long-term health of the *politeia*. His conceit guarantees his fixation on all parts of his plan over the ‘subordinate parts’ of the *politeia*, and it blinds him to the ‘great interests and strong prejudices which oppose’ his plan. In the face of either a need for change or conservation, his answer is always the same: sticking to his ideal plan of government without any deviation. In his fixation, he assumes that all subordinate parts of the *politeia* are empty vessels that he can freely move about the great chess-board of human society. He does not concern himself with the fact that individuals or particular orders of society have their own internal principle of motion, or that his plans negatively interfere with those principles when he does not properly consider them. By extension, his plans fail to consider how the roles of particular orders of society (like those of the ‘labouring poor’, for instance) contribute to holding the *politeia* together. In its rashness and naiveté, his ideal form of government threatens to topple the entire political edifice as it lives and breathes. In his misguided ideas and his incompetence, the ‘man of system’ remains indifferent or insensitive to that threat.

In direct contrast to the ‘man of system’, Smith provides an account of the man of public spirit:

The man whose public spirit is prompted altogether by humanity and benevolence, will respect the established powers and privileges even of individuals, and still more those of the great orders and societies, into which the state is divided. Though he should consider some of them as in some measure abusive, he still, content himself with moderating, what he often cannot

annihilate without great violence. When he cannot conquer the rooted prejudices of the people by reason and persuasion, he will not attempt to subdue them by force [...] He will accommodate, as well as he can, his public arrangements to the confirmed habits and prejudices of the people; and will remedy, as well as he can, the inconveniencies which may flow from the want of those regulations which the people are averse to submit to. When he cannot establish the right, he will not disdain or ameliorate the wrong [...] (Ibid; 318)

This account frames and therefore emphasises what the ‘man of system’ lacks in his conceit: the need for political action to be balanced by a firmly rooted connection to the political realities of the time. This connection is what makes political wisdom possible and by extension, it is what allows for change or conservation to effectively respond to the concrete circumstances in which the *politeia* finds itself. What the ‘man of system’ lacks, in fewer words, is a firm connection to public life which grounds his plans into the concrete realities of his politically organized community. Without this connection, his plans invariably become inseparable from his particular sentiments, interests, and incentives, to the general exclusion of almost everything else in the *politeia*. In fewer words still, he is lacking in public sense because he lacks a firm connection to the public.

Unfortunately, Smith’s evocative description of the ‘man of system’ in TMS leaves two fundamental questions open for interpretation: what social conditions produce this man and cater to his particular character-profile? Smith’s description of the ‘man of system’ in TMS does not address these questions directly, as it is more concerned with explaining the moral character of political activity and how this character can be distorted by custom, fashion and the world of social appearances. The questions are therefore left unanswered. And yet, Smith gives us the necessary intellectual material to answer those questions in some of his economic, social, and political concerns expressed in both LJ and WN.

The character profile of the ‘man of system’ is the character-profile of modern day civil servants and politicians. It speaks to the fact that their jobs have become specialized to such a degree that they are removed from public life in a similar way as the ‘labouring poor’ who work in manufactures. Like the ‘labouring poor’, the ‘man of system’ is confined only to the one or two job operations he performs within the political sphere. His conceit stems from the fact that he reduces politics and government to those tasks which he performs and with which he is already intimately familiar. Everything outside of his field of vision does not have a ‘principle of motion’ of its own because it is invisible to him. What the ‘man of system’ generally sees in the defence, justice, and public works functions of the State, are services that need to be

delivered as efficiently as possible. Little thought is given to the way in which the delivery of those “services” affects the ‘subordinate parts’ of the *politeia*.

The ‘man of system’ loses his connection to public life in much the way as the ‘labouring poor’: the specialization of his job operations makes him wholly unable to develop a general understanding of society, to say nothing of the world. He is just as prone to ‘moral’, social and intellectual degradation as the ‘labouring poor’. But there is a major difference between the ‘man of system’ and the ‘labouring poor’: the ‘man of system’ works in or around the political sphere. His job operations affect the direction and exercise of political power in ways that those of the ‘labouring poor’ do not. Therefore, the ‘man of system’ has a more direct and immediate impact on the structure of public life and the stability of the *politeia* than the ‘labouring poor’ do at their jobs. And so, when the ‘man of system’ loses his ‘public spirit’ to the specialization of his job operations, it has a much more immediate *negative* impact on the stability and overall health of the *politeia*. Those negative impacts, as it were, are the result of his conceit. In turn, that conceit stems from his ‘mental torpor’ and the narrowing of his attention to the one or two administrative operations for which he is responsible. Everything else loses its ‘principle of motion’ because it cannot easily be reduced to what is already familiar and immediate to the ‘man of system’. His ideal plan of government consists in reducing everything within the public sphere to those factors in his narrowing and increasingly specialized field of vision. And this is where we see most clearly how the character profile ‘man of system’ align with the general principles of the division of labour.

The ‘man of system’ and the ‘labouring poor’ represent two parts of the same process. The working conditions of the ‘labouring poor’ under the economic division of labour make them listless, narrow-minded, unable to protect their private and public interests, and unable to defend to internal ‘principle of motion’ against external threats. In this context, the State apparatus and its ‘men of system’ are empowered to replace that ‘principle of motion’ with “that which the legislature might choose to impress” upon the ‘labouring poor’ instead. (Ibid; 319) In doing so, the State and its ‘men of system’ justify their own political division of labour by positioning their subjects on the chess-board of society as if they were nothing but game pieces. Where the ‘labouring poor’ are consigned to becoming game pieces on a chess-board in their growing listlessness, the State and its ‘men of system’ become the hand. The power dynamics between ‘men of system’ and the ‘labouring poor’ forms a closed feedback-loop where the growingly automated subjection of the latter to the former becomes the key. In those

dynamics, we see how political activity does not reflect public life but instead becomes a mirror for the State to exert power in light of its most basic function—maintaining order.

Chapter 3

Authority, the State and Sovereignty

In the previous chapter, I discussed the relationship between the division of labour and Smith's utility principle of government. I focused on the utility principle in particular because I argued alongside Smith that it is the dominant form through which subjection is expressed in 'commercial societies'. To that effect, I analyzed how utility shapes the way subjection is practised in the economy by examining the pursuit of individual self-interest in terms of personal utility-maximization. Here, I returned to the first two chapters of Book I of WN to demonstrate that according to Smith, people accept (and thus submit to) the economic realities of the division of labour (i.e. repeating the same menial, mind-numbing and highly specialized job operations over and over again) because it is useful in helping them to secure their livelihood. For Smith, this appears to mean two separate things at the same time: 1) there is no better way for people to secure the necessities of life in the current age of commerce than by specializing in one craft, performing that craft in exchange for a salary, and exchanging that salary for everything one needs but does not directly produce. 2) People's material conditions automatically improve as the division of labour continues to unlock the productive powers of the economy since it allows workers to exchange a greater proportion of their labour for an ever-widening array of commodities on the marketplace.

What is interesting about these two meanings is that they are complementary: the first suggests that people accept present economic realities as useful because they need to submit to them in order to live *right now*. But at the same time, the second meaning suggests that these realities are bearable largely because people believe that their material conditions will improve in the future. It suggests that people believe that the current economic conditions of 'commercial societies' are acceptable only insofar as they are *temporary* and *constantly improving*. From a different perspective, we can state that the second meaning is a belief about the future while the first is an acknowledgement of the present. The future meaning serves to justify the present one while the present meaning justifies people's subjection by making it seem as if things could not possibly be arranged in any other way. But there is a caveat to the way these meanings interlock with one another, and it comes in the form of Smith's critique of social contract theory in LJ: when people submit out of utility, whether to the State as citizens or to the economy as workers, they do not start from "first causes" or some fundamental

metaphysical grounds to determine why their submission to the *status quo* is preferable to an alternative. Rather, they submit because it *appears* useful and *appears* to be in their best interest. Where the economic structure of ‘commercial societies’ is concerned, this appearance is rooted in an illusion to an alarming degree. The belief that material conditions will automatically improve in the future with the division of labour belies what I addressed in the introduction: that in ‘commercial societies’, patterns of growing wealth exist side by side with growing patterns of inequality. Neither pattern automatically cancels out the other. This suggests, in turn, that the future of ‘commercial societies’ is more likely to amplify already existing social disparities than to definitively resolve them.

By acknowledging this contradiction, something interesting happens: the future meaning that Smith envisions for the division of labour loses its hold on the present because it can no longer explain what people are experiencing in the here and now. By the same token, the future meaning is no longer able to make the present bearable. This leaves us to assess whether securing one’s livelihood by specializing in a single craft is actually beneficial in the present instead of some imagined future. It means that the only remaining basis to evaluate whether the general economic realities of ‘commercial societies’ are useful is to examine the conditions in which people endure those realities *in this very moment*. When Smith makes his assessment on that basis, the image of ‘commercial societies’ changes drastically and for the worse. This is where the economic, social and political conditions of the ‘labouring poor’ come into focus; where Smith observes how workers are confined by the highly specialized economic operations they must repeat over and over again as part of their jobs; where their attention narrows down until “few ideas pass in [their] mind but what have an immediate connexion with [their occupation]” (Smith: 1898; 255); where their work functions are so automated that they lose the ability to cultivate noble and tender sentiments, the capacity for rational conversation, and the ability to form just judgements about public and private life; where vanity, duplicity and a fixation of social appearances replace the potential for developing moral character; and where the majority of working citizens are stripped of all meaningful avenues to partake in public life beyond their largely automated subjection to State rule. As these elements of the image are put into focus, the material conditions of the present moment lose their ability to justify people’s subjection to the general economic realities of ‘commercial societies’. This is because these realities no longer appear as useful or bearable in the absence of an imagined future which promises that people’s material conditions will automatically improve over time. The utility of subjecting to the economic forces governing ‘commercial societies’ is called into

question here and with it, the very legitimacy of these societies as well. The same doubts apply to people's subjection to the State in 'commercial societies' because that process follows the same general patterns as people's subjection to the economy.

By outlining the social disadvantages of the economic division of labour, I was able to argue that the division of labour undermines the utility principle of government. To summarize, the argument is as follows: by confining the attention of individual workers/citizens to a limited number of operations, the division of labour subverts a large portion of their capacity for conscious thought through automation. Applied to the workforce as a whole, which forms the majority of the *politeuma*, these conditions generally prevent working citizens from developing the skills needed for them to differentiate their *actual* interests from what merely *appears* beneficial. In turn, this affects the working citizen's ability to engage in a meaningful exchange with the State on the boundaries and limits of its rule. Without the capacity to differentiate their real interests from social appearances, working citizens cannot set firm, stable, or consistent expectations on what they should receive in exchange for their obedience. This gives the State the power to dictate the terms of the exchange based on its own particular interests which amount to maintaining order in the most "efficient" way possible. In this sense, the "exchange" between the State and working citizens is an exchange in name only. In reality, it is the process by which the State guarantees social order by manufacturing subjection. In reality, politics is reduced to the State's ability to deliver on its administrative functions. It is not used to address the problems experienced *politeia* that cannot be solved by a greater call to order or conformity. In that, the public character of politics disappears. Finally, the advantages citizens see in submitting to State rule in 'commercial societies'—focusing on their jobs and livelihoods while the State takes care of politics—disappear behind its real cost: the State reducing citizens to objects of total administration (or as Smith writes, chess pieces on the board of human society).

The account of political subjection in the previous chapter is important to explain how the State maintains order in 'commercial societies' through the appearance of utility. But this account is ultimately incomplete because it does not consider how the authority principle of government comes into play. Without a thorough analysis of authority, this dissertation project would give the false impression that social order in 'commercial societies' is exclusively maintained by the State acting as a political service-provider in bad faith—one that leverages the need for defence, justice and public works to ensure that the *politeuma* conforms to more

than it bargained for. With this false impression would come yet another: that the State would derive its legitimacy from guaranteeing order in the same way that plumbers and surgeons derive their credibility from specializing their plumbing and surgery skills. (Khalil: 2005; 58)

There is something important missing from those false impressions. In a more superficial sense, they miss the fact that for Smith, “both these principles [authority and utility] take place in some degree” within “all governments.” (Smith: 1898; 11) A thorough analysis of political subjection in ‘commercial societies’ would therefore not be complete without a comprehensive account of authority—even if authority is not the dominant principle by which political subjection is expressed in those societies. On a deeper level, however, those impressions conceal something else of importance in Smith’s politics: that he consistently (albeit tacitly) appeals to a notion of sovereignty when calling upon the State to intervene against the negative social effects of the division of labour. If Smith merely believed that the State was a social institution like any other—like plumbers and surgeons are professions like any other—he would have no reason to insist that it take care of politics instead of corporations or monopoly firms, for instance. In other words, he would have no reason to specifically invoke sovereignty (which appeals to a supreme authority) since all forms of authority would be conditional on skill and expertise. If Smith invokes sovereignty to establish State legitimacy, it is because he recognizes that political and State authority rely on something more than utility—even if utility is the dominant expression of subjection in ‘commercial societies’. But since Smith does not explicitly outline what this “something more” is in WN, we must return to his reflections on authority in LJ and his political psychology in TMS to fill in the gaps. Afterwards, we will be in a better position to shed light on how these reflections impact Smith’s ideas on State governance, sovereignty, the division of labour and his general conception of politics.

3.1. On the Origins and Implications of Authority According to Adam Smith

In the previous chapter, I cited a passage from LJ in which Smith outlines utility as a principle of government—and where the term “government” in Smith’s words refers to the notion of “State rule” today. But I also remarked that according to Smith, utility is not the *only* principle of government. Smith highlights another principle (i.e. authority) before providing a more thorough exposition of utility. Of authority, Smith states the following:

At the head of every small society or association of men, we find a person of superior abilities. In a warlike society he is a man of superior strength, and

in a polished one of superior mental capacity. Age and a long possession of power have also a tendency to strengthen authority. Age is naturally in our imagination connected with wisdom and experience, and a continuance in power bestows a kind of right to the exercise of it. But superior wealth still more than any of these qualities contributes to confer authority. This proceeds not from any dependence that the poor have upon the rich, for in general the poor are independent, and support themselves by their labour, yet, though they expect no benefit from them, they have a strong propensity to pay them respect. This principle is fully explained in the Theory of Moral Sentiments, where it is shown that it arises from our sympathy with our superiors being greater than that with our equals or inferiors: we admire their happy situation, enter into it with pleasure, and endeavour to promote it. (Ibid; 9)

The paragraph is rather strange. Smith identifies the notion of authority as an essential principle of government but instead of immediately discussing its moral, social or political implications, he outlines its distant origins in humankind's "innate propensity" to sympathize with or admire those of a higher station—whether difference in station rests on natural ability, economic advantage, or social rank is of minor consequence to Smith's argument here. What is of importance, however, is the relationship between "human nature" and social/economic inequality. The relationship can be summarized as follows: sympathy is an innate human tendency and therefore, a part of our nature as a species. When this part of our nature unfurls within a social context where disparities of rank and status are sufficiently acute, Smith argues that our sympathies skew in favour of the rich and those of higher status because it is easier to identify with their joys (which we presumably imagine as greater than our own) than it is with the sorrows of the poor and socially downtrodden. This connection between human nature and social/economic disparities faintly suggests an answer to the question of political authority: that it could be predicated on the same human propensity to admire those of a higher social/economic rank, except the admiration is applied to political power instead of wealth or status. But if this were to be the case, then citizens would admire (and therefore submit to the authority of) the State because they would interpret its power as a source of greater joy than their own. On the surface, this explanation is persuasive because it has the merit of originality. However, it leaves a number of problems unattended: 1) it is easy to grasp how people identify with people of a higher social or economic rank, but it is harder to understand how feelings of sympathy would extend to an abstract and impersonal entity like the State. 2) As it stands, this tentative explanation still does not address how the natural inclination to admire and sympathize turns into obedience, or how social obedience based on rank and status turns into

political subjection. The above passage in LJ is lacking in this regard, but it identifies where the reader might begin to find answers: TMS, where the psychological underpinnings of the authority principle are more thoroughly developed.

A final thought at this juncture: Smith's authority principle is closer to his political psychology than the utility principle because it represents a form of "hard" subjection. And as previously discussed, "hard" subjection implies a kind of obedience rooted in impulse instead of utility. It refers, in words closer to Smith's, to a propensity 'to pay respect' even when there is no clear benefit in doing so. In this sense, Smith considers the authority principle to be closer to humankind's unconscious drives than utility which at the very least, involves some sort of rationalization process. This is why Smith finds the origins of the authority principle in humankind's "natural" and "innate" propensities. And this is why we must now turn our attention more closely to the contents of TMS.

3.1.1. Sympathy, Authority, and the Theory of Moral Sentiments

A few introductory remarks are in order before delving directly into Smith's analysis. Firstly, Smith's reflections on the principle of authority in TMS and LJ set him apart from other political theorists in that they advance a psychological view of politics. Many authors have since discussed Smith's political psychology, but very few have endeavoured to provide a sustained or exhaustive account of it. A significant portion of the secondary literature on this subject (Cropsey, 1977, 2001; Hont and Ignatieff, 1985; Hont, 1994; Gallagher, 1998) amounts to hurried commentaries that do not sufficiently differentiate Smith's view on political authority from social contract theory or classical utilitarianism. The result, quite predictably, is that this portion of the secondary literature does not properly acknowledge Smith's assertion in LJ that authority and utility are distinct principles of government. Another portion of the literature (Haakonssen, 1981; Winch, 1983; Griswold, 1999; Hanley, 2008) focuses instead, either directly or indirectly, on the portions of Smith's political psychology coinciding with his notion of the "science of the legislator". This part of the secondary literature notes that Smith mobilizes his principles of political psychology to teach potential legislators in his readership how to devise political and economic institutions that accommodate "man's selfish passions and in turn meliorating or transforming them into agents of social stability and growth" (Hanley: 2008; 220). While this portion of the literature offers a more sustained account of Smith's political psychology, it predominantly applies this account to the utility principle and not to authority. The legislator's political endeavours to develop 'man's selfish passions into

agents of social stability and growth’ harkens back to Smith’s description of the ‘man of public spirit’ and therefore, has more to do with guaranteeing public utility with an even hand than it does with authority. As a result, this portion of the literature struggles to explain the psychological mechanisms at play when individuals continue to obey political authority even when it is not in their self-interest—its authors either stay silent on the matter or hurriedly treat it as some kind of moral atavism that resurfaces in improperly governed ‘commercial societies’. Unfortunately, this account of authority does not completely do justice to Smith’s because it disregards the fact that his principles of government are not relics of humankind’s ancient past. Rather, they are the standards by which the economic, social and political realities of a given time period provide a framework to express humankind’s unconscious drives. In this sense, the authority principle of government is not fixed and unchanging. It adjusts to different economic, social and political realities—and so does its dominant mode of expression. In light of this, the goal of this chapter is to uncover what political authority looks like in ‘commercial societies’ in particular.

Building on his prior works *Is Justice the Primary Feature of the State?* (1998) and *Is Adam Smith Liberal?* (2002), Elias Khalil endeavours to analyze the psychological roots of the authority principle in *An Anatomy of Authority: Adam Smith as Political Theorist* (2005). In this article, Khalil details how Smith’s concept of authority depends more on allegiance than it does on utility. Beyond this work, few sources exist that provide a comprehensive account of Smith’s concept of political authority besides the first-hand material, namely TMS and LJ. For this reason, I have decided to return to Smith’s first-hand material in what follows, using Khalil’s *Anatomy on Authority* to occasionally complement or provide commentary on Smith’s arguments.

Smith develops his thoughts on sympathy, admiration, and authority, chapters two and three of part I, section iii of *Theory of Moral Sentiments*. They are called “On the origin of Ambition, and of the distinction of Ranks” and “Of the corruption of our moral sentiments, which is occasioned by the disposition to admire the rich and the great, and to despise or neglect persons of poor and mean condition”. These chapter titles, and especially chapter three, reveal the author’s deep concern for the adverse effects of the ‘distinction of ranks’. This concern punctuates Smith’s arguments throughout the chapters, as we will see later on.

The chapters themselves are also noteworthy for another reason: their arguments are not static but rather, move forward in time. Smith's account of the moral sentiments is an attempt to situate them within a narrative of progress. It follows a clear trajectory and it has a destination. The narrative itself develops as Smith's main ideas evolve to account for an ever greater number of social factors. To that effect, his initial thoughts on sympathy and ambition evolve into his arguments on admiration and obedience just as his description of rank develops into an analysis of social/economic status with brief commentaries on political subjection. Let us avoid any misunderstandings at this juncture: the trajectory of moral sentiments (Ambition and Sympathy → Admiration and Obedience) does not develop independently from the trajectory of the "distinction of ranks" (Rank → Status → Political Subjection) but rather, the two go hand in hand. Ambition turns into admiration as it adheres to distinctions in rank, and distinctions in rank crystallize into distinctions of status as people's sympathies for the rich exceed those for the poor. In order to understand Smith's thoughts on authority, we must follow the trajectory of his thinking from its very beginning to its final destination.

3.1.1.1. On Ambition, Sympathy, and the Need for Personal Distinction

Smith begins his reflections on ambition and the distinction of ranks with a simple premise: as a matter of nature, humankind is more disposed to sympathize with joy than with sorrow. As proof of this premise, he invokes the fact that we, as human beings, tend to "make parade of our riches, and conceal our poverty." (Smith: 1809; 85) He continues by describing the extent of our embarrassment when our misery is made public, and the disappointment we tend to feel when the sympathy it elicits from others fails to reach the depths of our suffering: "[n]othing is so mortifying as to be obliged to expose our distress to the view of the public, and to feel, that though our situation is open to the eyes of all mankind, no mortal conceives for us the half of what we suffer." (Ibid; 85) Ambition is the result of this particular feature of sympathy. It arises because human beings prefer living by one another's happiness to living by one another's misery, and because it is easier to feel more connected to others when they share in our joys than when they share in our sorrows. Pursuing riches, wealth, power, and pre-eminence becomes the easiest and most visible way to display (or signify) our joys; and we ardently and ambitiously seek to display our joys in order to direct other people's sympathies towards us.

At this juncture in the argument, we can already appreciate the reason why Smith casts authority as its own distinct principle of government: it is because the need for distinction is fueled in turn by a fundamental need for the approval of others. The desire to amass wealth and riches, in this sense, has little to do with supplying the necessities of life because large sums of wealth procure things in excess of our ability to derive pleasure from their personal use. Wealth is attractive not because of its utility, but because of it is ostentatious. It draws attention and displaying wealth magnifies what people would consider to be our deepest joys and greatest achievements. Again, wealth is not just a means to live comfortably for Adam Smith; it is also used to attract other people's attention and sympathy. From this standpoint, the drive for personal distinction through wealth is not a matter of utility-maximisation because it goes far beyond the need for "shelter, food, medicine, entertainment, and so on" (Khalil: 2005; 61). It is, after all, a *drive* and in that respect, is non-rational. Smith highlights the non-rational character of this drive in the following passages on sympathy:

For what purpose is all the toil and bustle of this world? What is the end of avarice and ambition, the pursuit of wealth, of power, and pre-eminence? Is it to supply the necessities of nature? The wages of the meanest labourer can supply them. We see that they afford him food and clothing, the comfort of a house, and of a family. [...] What then is the cause our aversion to his situation, and why should those who have been educated in the higher ranks of life, regard it as worse than death? To be reduced to live, even without labour, upon the same simple fare as him, to dwell under the same lowly roof, and to be clothed in the same humble attire? Do they imagine that their stomach is better, or their sleep sounder in a palace than in a cottage? The contrary has been so often observed, and, indeed, is so very obvious, though it had never been observed, that there is nobody ignorant of it. [...]

From whence, then, arises that emulation which runs through all the different ranks of men, and what are the advantages which we propose by that great purpose of human life which we call bettering our condition? [...] It is the vanity, not the ease, of the pleasure which interests us. But vanity is always founded upon the belief of our being the object of attention and approbation. The rich man glories in his riches, because he feels that they naturally draw upon him the attention of the world, and that mankind are disposed to go along with him in all those agreeable emotions with which the advantages of his situation so readily inspire him. At the thought of this, his heart seems to swell and dilate itself within him, and he is fonder of his wealth, upon this account, than for all the other advantages it procures him. (Smith: 1809; 85-6)

A final note at this juncture: when Smith discusses sympathy and ambition in chapter two, his arguments move too quickly to address how the personal need for distinction is expressed in society. He alternates between examples where distinction is measured in terms of wealth, social status, and political rank without pausing long enough to explicitly identify the difference between measure. This is not because the differences are negligible or even that the “distinction of rank” is always based on a prior distinction of natural abilities. Rather, it is because Smith argues that the human inclination to sympathize is the common thread to all forms of distinction—whether personal, economic, social or political. Applied to our ‘moral sentiments’, these distinctions primarily differ from one another insofar as they amplify our “innate propensity” to sympathize at different social frequencies. Smith never clearly maps out these different ‘social frequencies’ for his reader. The remaining portions of this chapter will endeavour to do just that.

3.1.1.2. *From Sympathy and Ambition to Admiration (1): Distinctions in Natural Ability*

The most basic form of distinction is the distinction between natural abilities or skills between individuals. Smith briefly alludes to this in TMS when he states that those not born in the nobility must rely on their talents and efforts in order to distinguish themselves (Ibid; I.iii). It is further developed in LJ as Smith notes that strength tends to confer authority in smaller societies—and so can age when it is connected to wisdom and experience (Smith: 1896; I.1). Although these distinctions are seldom explored, it is unlikely that Smith would mention them if he did not believe that people sympathized with, and their ambitions on, those specific traits. To put matters differently, Smith alludes to the fact that we, as members of the human species, tend to admire those who are strong and/or wise. The authority typically conferred to strength and wisdom is a testament to that admiration.

However, Smith puts very little stock in distinctions of natural ability. Almost as soon as he enumerates strength and wisdom as factors of personal authority, he claims that these traits do not confer as much authority as wealth and riches. Superior abilities of body and mind, Smith continues, are not as easily judged by others as superior wealth and so, it becomes more convenient to admire the latter than the former (Ibid; I.1). By the previous statement, it is possible that Smith intended to mean that superior wealth is admired over superior abilities because it is taken as a more visible sign (or display) of those abilities than those abilities themselves—it is difficult to be completely certain. Whether or not this hypothesis is true, however, it does not change the subtext: for Smith, social distinctions take precedence over

personal ones because they amplify feelings of sympathy and ambition at greater collective frequencies. In less metaphorical terms, it is easier to fixate on wealth as a sign of distinction and superiority than it is on personal ability for the same reason that signs are more visible than what they signify. By stating that wealth is a more convenient (and visible) sign of authority than personal ability, Smith contends that moral sentiments are more social than personal in character. This contention does not erase the obvious fact that individuals experience their moral sentiments inwardly. Rather, it is a reminder that social interactions provide the avenues through which these sentiments are expressed. We take notice of them through our transactions with the social world and not by contemplating them in isolation from others. This is most likely the reason why Smith focuses his attention on distinctions of social and economic rank instead of those based on natural ability, which are more personal in character.

3.1.1.3. From Sympathy and Ambition to Admiration (2): Distinctions in Social Rank

When Smith discusses the distinction between rich and poor, he is in fact discussing it in terms of social rank. Here, I use the word “social” instead of “economic” not because differences in fortune cannot be accurately measured in economic terms but rather, because Smith’s primary concern is how those differences elicit the sympathy and admiration of the poor for the rich. And as soon as the analysis turns to these and other moral sentiments, it begins to deal in social values—even if the object of social valuation is primarily economic. We are therefore inclined to ask: how does admiration of social rank differ from admiration of natural abilities?

Before delving into the difference between these two kinds of admiration, let us begin by examining what they have in common. In both cases, admiration implies an object of desire and “imaginative” sympathy (Khalil: 2005; 60). The object of desire—be it superior ability or superior wealth—is a vessel the individual aspires to use in order to capture the approval (read: sympathy) of others. “Imaginative” sympathy is the faculty by which the individual recognizes a quality in others that she does not already possess, as an object of her own desire. Again, we observe the social character of moral sentiments here: the recognition of desire happens as the individual observes others who possess the quality she wishes to make her own. And as she recognizes this quality in others, she is more inclined to identify with their feelings and to imagine, if not sympathize with, their situation. To summarize, “imaginative” sympathy is the means through which ambitions are either awakened or sharpened by desire, whereas the object of that desire represents the end or goal of ambition. Between our two kinds of admiration,

there is something else they have in common and that Smith does not explicitly acknowledge: the feelings of ambivalence implied in “imaginative” sympathy. *Ambivalence*; because although it is satisfying on the one hand to identify with those who possess a quality which we ourselves desire, it is frustrating on the other because it reminds us that we have not yet made that quality our own. The fundamental difference between admiration of natural ability and admiration of social rank is a difference in how this ambivalence develops in society.

Distinctions in natural ability are less important than distinctions in social rank for two reasons. The first, as stated in LJ, is that natural ability does not confer as much authority as signs of social rank like wealth or status. The second, although never explicitly stated, is that distinctions in natural ability highlight inequalities of skill, whereas distinctions in social rank outline inequalities of influence. Here, influence is defined as a means of getting others to do what they would not otherwise do for themselves. And so, since inequalities of influence involve mobilizing the activity of others, they easily surpass, if not overshadow, inequalities between two individuals and their varying skill sets. At the same time, it means that inequalities of influence, which signify distinctions of social rank, cannot be overcome by natural ability or individual ambition alone. When inequalities of influence are too wide, then, it can frustrate the poor’s ambition of attaining a better station in life since the gap separating them from their goal is wider than what their personal efforts could bridge in a lifetime. Ultimately, that is the difference between distinctions of natural ability and distinctions of social rank; it is a matter of width and scope. But this width introduces a new problem to Smith’s theory on moral sentiments: if the poor or those of lower influence cannot normally achieve a better station by their own efforts or ambitions, then why would they admire the rich or those of higher influence? Would the gap separating the poor from the rich not impede the former’s feelings of sympathy for the latter?

Smith’s answer to the previous questions, although implicit to a large degree, contains his first clear insights on the nature of authority: when social distinctions are wide enough to make it near-impossible for the poor to attain a higher station in life by their own efforts, they will not stop identifying to the rich altogether. Rather, their reason for identifying with the rich shifts: instead of sympathizing with the rich in the hopes of one day attaining their station, the poor and socially downtrodden sympathize with them because the closest way for them to enjoy the benefits of wealth and a higher rank is by living vicariously through those who are wealthy and who occupy that rank. Elias Khalil (2005) refers to this shift as one from “imaginative” sympathy to “vicarious” sympathy, since the goal of imagination changes as “[...] a sufficient

number of [social] agents realize that they cannot attain [their] desired station.” (61) He continues: “they can only approximate the enjoyments associated with that station through free riding, i.e., enjoying the station of others vicariously.” (Ibid; 62) Khalil deepens the distinction between “vicarious” sympathy and sympathy proper but for the purposes of our analysis, his shift in vocabulary helps to clarify two important implications of Smith’s connection between admiration and distinctions in social rank.

Firstly, when admiration is projected on social rank instead of natural ability, its impetus moves away from the object of desire and closer to the “imaginative” components of sympathy. Secondly, the feelings of ambivalence inherent to sympathy shift alongside people’s attitudes towards social rank. By surrendering their expectation of a better social life, the poor will begin to view their ability to identify with the rich not as a source of frustration but of satisfaction. This is because in this context, the poor will abandon their ambition of upward social mobility in the face of the gap separating them from wealth and higher status. Thus, when they identify with the joys of the rich and influential, they imagine themselves as reaping the benefits of something that they could not have otherwise obtained for themselves. Here, the poor’s ambitions for wealth and status transforms into a need for the rich and powerful in society. This is because if the poor cannot fulfill their ambitions by their own efforts, then they need to imagine others who can to approximate that satisfaction. This is where the elements of “hard” subjection and deference to authority first rear their head in Smith’s analysis: the poor do not stand to gain any meaningful benefits from identifying to the rich because the gap separating them is far too wide for the poor to attain a better station in life. But despite that, they will continue to admire the rich in certain contexts and thus, will continue to defer to the authority of their wealth and social status.

The transition from “imaginative” to “vicarious” sympathy, in Khalil’s terms, is one that ultimately justifies the poor’s feelings of subservience towards the rich. In this context, the poor experience strong feelings of subservience and subjection towards the rich because they believe that they are dependent on the rich in order to experience, if only by approximation, the satisfaction of sharing in the joys of others. The argument goes even further: because the poor do not have enough wealth or status to reliably attract other people’s sympathies, and because they cannot approximate wealth or status without putting themselves in the skin of rich people, they tend to imagine the rich as living in a state of perfect happiness because what the rich have (wealth, status, etc.) corresponds to everything they lack. This condition of “perfect happiness”, however, is nothing but an impression fuelled by the growing disparities between

rich and poor in society: it implies that the poor have become so disconnected from the rich (to say nothing of the opposite) that they see wealth as the solution to all of their current problems and therefore, as the focal point of their joys. Wealth and the state of “perfect happiness” it confers, become signs of the rich’s authority over the poor, because the rich are seen as having the ultimate solution to the poor’s problems. Since this solution (i.e. wealth) is unattainable to the poor, they will tend to feel powerless without someone of superior authority (the rich) who can achieve their dreams in their stead. When Smith discusses this state of “perfect happiness” in TMS, he quickly approaches his reflections on authority in LJ by describing the psychological impulses that can lead the poor to become obsequious in the face of the rich and high-ranking.

When we consider the condition of the great, in those delusive colours in which the imagination is apt to paint it, it seems to be almost the abstract idea of a perfect and happy state. It is the very state which, in all our waking dreams and idle reveries, we had sketched out to ourselves as the final object of all our desires. We feel, therefore, a peculiar sympathy with the satisfaction of those who are in it. We favour all inclinations, and forward all of their wishes. What pity, we think, that anything should spoil and corrupt so agreeable a situation! We could even wish them immortal; and it seems hard to us, that death should at last put an end to such perfect enjoyment. (Smith: 1809; 87-8)

What is also interesting to consider from this passage is that the “perfect” state of happiness serves to maintain, if not further, the distinction between rich and poor by fuelling the assumption that the former live a life that the latter can only imagine. This assumption, in turn, reinforces the poor’s imagined dependence on the rich by making it seem as if only the rich can do what they do, or have what they have. By the same token, this assumption accounts for how feelings of admiration evolve into feelings of obedience and subjection. Smith makes a point to explicitly highlight this account shortly after our previous quote:

Upon this disposition of mankind, to go along with all the passions of the rich and the powerful, is founded the distinction of ranks, and the order of society. Our obsequiousness to our superiors more frequently arises from our admiration for the advantages of their situation, than from any private expectations of benefit from their goodwill [...] We are eager to assist them in completing a system of happiness that approaches so near to perfection; and we desire to serve them for their own sake, without any other recompense but the vanity or the honour of obliging them. Neither is our deference to their inclinations founded chiefly, or altogether, upon a regard for the utility of such submission, and to the order of society, which is best supported by it.

Even when the order of society seems to require that we should oppose them, we can hardly bring ourselves to do it. (Ibid; 88-9)

In this passage, Smith begins to address the unattended problems of our earlier assessment of authority. However, his account of social obedience in the above passage does not specifically address *political* subjection, nor does it explain how people come to identify with an abstract and multi-faceted entity like the State.

3.1.1.4. *From Admiration to Obedience and Subjection: On Dependence and Political Authority*

The poor's admiration for those of a higher economic or social status illustrates two critical insights that clarify Smith's conception of authority. One is general and the other, specific: generally, the connection highlights that social and economic inequalities (over inequalities of natural ability) are at the origin of authority. Specifically, it outlines that the principle of authority is based simultaneously on an imagined and material dependency of the poor on the rich. If we were to currently summarize these insights in a general equation, it would be as follows: *authority = inequality + dependence*. At first glance, this equation does not substantially differentiate between the influence of social and economic status on the one hand, and political authority on the other. In both cases, inequality and dependence are equally at play. For higher-ranking social agents, superior wealth and status (inequality) affords them the opportunity to command or mobilize the activities of the lower-ranking in their service (dependence). Similarly, the State wields greater political power than its subjects (inequality), and since it is either the primary or sole entity which provides services in matters of defence, justice, and public works, its subjects rely upon it for those services (dependence)—although we have not yet established if (or how) that dependence connects to humankind's "innate propensity" to identify with the conditions of others. This similarity between the social influence of the rich and political authority brings us back to our introductory problem because it highlights the difficulty in differentiating State authority from the power of a corporation or monopoly firm, for instance. But if we delve deeper into Smith's arguments on authority in LJ and on subjection in TMS, we begin to see that the major difference between social influence and political authority is expressed in terms of dependence.

When Smith develops his insights on authority and subjection in TMS, he measures inequality as a socio-economic variable and dependence, as both a material and psychological one. We have already discussed the inequality variable above and now, it is time to turn our attention onto dependence. In previous sections, I have highlighted how the concepts of

“imaginative” and “vicarious” sympathy help to explain the psychological dimension to the poor’s dependency on the rich. However, this dimension does not properly acknowledge that there is also a material basis for that dependency. If we therefore examine the psychological dimension in isolation, it would lead us to falsely conclude, contra Smith, that dependency is primarily a mental phenomenon; one that exists only in our imagination. But this is false because it disregards the fact that Smith approaches moral sentiments as more of a social than a personal phenomenon. Indeed, Smith emphasizes the external economic, social and political possibilities through which moral sentiments can be expressed more than he explores their inner-life in the mind of particular individuals. This emphasis is particularly clear, for instance, in LJ when Smith addresses the historical origins of economic inequality and by proxy, the origins of inequality in terms of social influence. As Smith explores these origins, he asserts that economic inequality first appears in history among ‘shepherd societies’, and that the poor shepherds begin to enlist themselves in the service of their rich counterparts. (Smith: 1896; I.i.2) By extension, Smith continues, the poor shepherds give their political allegiance to their rich overseers. (Ibid; I.i.2) In this conjectural description of ‘shepherd societies’, Smith clearly dismisses the idea that the poor’s subjection to the rich is only a matter of belief or something existing only in their heads. He suggests, rather that visible disparities in material wealth between rich and poor trigger the impulse to obey authority because they make the rich appear distant, other-worldly and deserving of authority on that basis. These disparities reinforce (and therefore add something to) the belief that the rich have something the poor cannot directly obtain by their own efforts, and that the poor can only approximate that “something” by identifying to the rich in their imagination.

Let us avoid the opposite misunderstanding as well: the material dimension to dependency does not invalidate the psychological one. If it did, it would lead us to conclude, contra Smith yet again, that the poor *only* align themselves with the rich out of utility. To reprise our earlier example on ‘shepherd societies’, it would lead us to believe that the poor shepherds *only* enlist themselves in the service of the rich in order to protect their own livelihoods, and for no other reason than that. From this perspective, the poor’s subjection and political allegiance to the rich would derive entirely from the fact that the rich are in a better social position to offer the poor economic protections. The problem with this perspective, however, is that it ignores certain crucial insights of Smith’s political psychology in TMS such as those of the following passage:

We are eager to assist them [the rich and powerful] in completing a system of happiness that approaches so near to perfection; and we desire to serve them for their own sake, without any other recompense but the vanity or the honour of obliging them. *Neither is our deference to their inclinations founded chiefly, or altogether, upon a regard for the utility of such submission, and to the order of society, which is best supported by it.* Even when the order of society seems to require that we should oppose them, we can hardly bring ourselves to do it. [My emphasis] (Smith: 1809; 89)

This passage clearly outlines what a utilitarian interpretation of authority tends to neglect in Adam Smith: that for him, the inclination to respect authority comes “naturally” inasmuch as it originates from an innate human tendency to view whoever wields authority as being superior until proven otherwise (Khalil, p.65). In other words, the authority principle arises “naturally” because people do not start from fundamental philosophical principles to determine whether one form of authority or another is justified. Instead, they take whatever is the existing authority as legitimate, and only tend to question it once it no longer displays what makes it appear authoritative in the first place¹⁶. In the case of our earlier example on ‘shepherd societies’, it means that when poor shepherds decide to enlist their services to the rich, it is not only because they have meticulously calculated the material benefits of doing so but rather, because they also are in awe of what the rich have and cling on to the irrational hope of approximating it by osmosis. This is not to say that the poor do not gain any material benefit from the economic protection of the rich—they do, but the benefits make it seem as if the poor’s subjection to the rich derives from a purely rational cost-benefit calculation when in reality, their obedience also stems from the fact that extravagant concentrations of wealth and social influence tend to leave people mesmerized, spellbound and prone to obedience.

We are finally able to define dependence in the *dependence = admiration + utility* equation. Here, admiration still refers to humankind’s “innate” propensity to sympathize which develops into the poor’s subconscious inclination to subject to the rich in unequal societies. Admiration, then, appeals to the psychological component of dependency (and more particularly, to the idea of “imaginative” sympathy) on which the authority principle is based. By contrast, utility refers to the material benefits acquired by the poor in their dependency to the rich (e.g. economic protection). It therefore appeals to the material component of dependency instead of the psychological one. But despite this distinction, admiration and utility are not entirely separable. Dependence is the sum of these two variables and could not arise if

¹⁶ On this topic, see Smith’s critique of social contract theory as developed in the previous chapter.

they were entirely separate. By focusing on the authority principle instead of utility in this chapter, we can now address why it is partial and incomplete to assert that people solely obey authority because it is useful to them: utility itself is not calculated through entirely rational means. In fact, it is quite often used to calculate the most efficient way to satisfy people's deepest inner drives. And where those drives include the need for admiration and approval, it is possible, if not easy, to reconfigure those drives to find satisfaction in the perceived superiority of others which, in turn, reasserts admiration into the need for subjection. What this demonstrates is that calculating utility does not always correspond to the individual's self-interest if the goal of the calculation is to find the most efficient way to satisfy needs and desires. This further corroborates the notion that political authority does not *exclusively* operate on the utility-maximising principle—although authority must be useful to some degree in order to function properly. Instead, it also operates on the need for subjection which, once satisfied, produces “useful” outcomes—although those outcomes do not necessarily or always align with individual self-interest in the broadest sense. We can now apply these insights to deepen our earlier formula on authority:

$$\textit{Authority} = \textit{inequality} + \textit{dependence}$$

becomes

$$\textit{Authority} = \textit{inequality} + (\textit{admiration} + \textit{utility})$$

The difference between social influence and political authority comes into focus at this juncture. Whereas social influence emphasizes the utility component of dependence in its authority equation, political authority specifically emphasizes the admiration component. The equation is the same in both cases, but the variables are emphasized differently. If we were to represent the difference visually, it would look like this:

$$\textit{Social influence} = \textit{inequality} + (\textit{admiration} + \textit{utility})$$

whereas

$$\textit{Political authority} = \textit{inequality} + (\textit{admiration} + \textit{utility})$$

The highlighted terms are the key variables. In the case of social influence, utility is the key variable because when the poor enlist their services to the rich, the promise of either material

or symbolic gain is never far away. The poor believe that by enlisting their services to the rich, they can either satisfy their personal ambitions of becoming rich and influential themselves, or feel the pleasure of seeing someone else use wealth and high status to fulfill their own ambitions. In the case of political authority, the promise of material or symbolic gain is less certain for the utility-maximizing individual. That is because the function of political authority, i.e. to maintain and guarantee *order*, does not speak directly to the individual's ambitions, nor does it satisfy what Smith would call the individual's deep-seated propensity to seek the approval of others. In fact, subjecting to political order can sometimes frustrate those ambitions because order is largely impersonal and not always designed to serve any one individual in particular. The impersonality of order is particularly noticeable when Smith discusses the notion of public utility, and clearly states that individuals will sometimes continue to obey government out of utility because although it is to their personal advantage to overthrow it, they nevertheless recognize that others might be of a different opinion. (Smith: 1896; I.1)

Instead of operating primarily on utility or the promise of fulfilled personal ambitions, political authority operates chiefly on admiration and more accurately, on humankind's "innate" propensity to identify with the situation of others. Political authority, in other words, operates on humankind's ability to sympathize without the guarantee of either material or symbolic benefits. This is not to say that political authority is entirely devoid of utility; it simply relies on a smaller proportion of utility than social influence just as social influence relies on a smaller proportion of admiration than political authority. What this means, then, is that out of all the existing forms of authority in society, *political authority* is the one that relies the most on people's inclination to obey out of impulse, and the least on people's tendency to obey out of benefit. It means, in other words, that *political authority* comes closest to turning humankind's "innate" capacity for admiration into an end in itself. In politics, we see this capacity unfurl through patriotism and nationalism—phenomena representing the individual's reflexive identification with the ideals of State and country; to those ideals encompassing people's abstract allegiance to the imagined community that is their homeland which, in turn, becomes the broadest foundation for their expanded sense of self. In an earlier chapter of TMS, Smith also notes that political authority tends to culminate, for better or for worse, in patriotism and nationalism. To that effect, he observes that love of country does not arise from some civil contract but rather, from natural allegiance to the country under which one has been born or educated. (Smith: 1809; I.ii.2) It is the reason, he continues, that people tend to exaggerate past heroes of one's country and to derive personal honour from their achievements. (Ibid; I.ii.2) It

is also the reason that people applaud patriots who commit their lives in defence of their country, and condemn traitors as the worst of all villains. (Ibid; I.ii.2) These sentiments find additional support in later passages on obedience/political subjection such as these:

It is the misfortunes of Kings only which afford the proper subjects for tragedy. They resemble, in this respect, the misfortunes of lovers. Those two situations are the chief which interest us upon the theatre; because, in spite of all that reason and experience can tell us to the contrary, the prejudices of the imagination attach to these two states a happiness superior to any other. To disturb, or to put an end to such perfect enjoyment, seems to be the most atrocious of all injuries, The traitor who conspires against the life of the monarch, is thought a greater monster than any other murderer. All the innocent blood that was shed in the civil wars, provoked less indignation than the death of Charles I. (Ibid; 88)

and

That kings are the servants of the people, to be obeyed, resisted, deposed, or punished, as the public convenience may require, is the doctrine of reason and philosophy; but it is not the doctrine of Nature. Nature would teach us to submit to them for their own sake, to tremble and bow down before their exalted station, to regard their smile as a reward sufficient to compensate any services, and to dread their displeasure, though no other evil were to follow from it, as the severest of all mortifications. To treat them in any respect as men, to reason and dispute with them upon ordinary occasions, requires such resolution, that there are few men whose magnanimity can support them in it [...] The strongest motives, the most furious passions, fear, hatred, and resentment, are scarce sufficient to balance this natural disposition to respect them: and their conduct must either justly or unjustly, have excited the highest degree of all those passions, before the bulk of the people can be brought to oppose them with violence, or to desire to see them either punished or deposed. [...] They cannot stand the mortification of their monarch. Compassion soon takes the place of resentment, they forget all past provocations, their old principles of loyalty revive, and they run to re-establish the ruined authority of their old masters, with the same violence with which they had opposed it. (Ibid; 89)

Although Smith mentions kings instead of States, the argument effectively remains the same if we replace the first term with the second. In both cases, the object of admiration (whether king or State) is secondary to the notion that admiration flocks to wherever political authority concentrates. And since political authority rests more heavily on the irrational components of obedience than any other kind of authority in society, this means that it will produce the kind of subjection that is most rooted in instinct, and least rooted in utility or people's *actual* interests.

A final thought to conclude this section: Smith is not insensitive to the dangers of political subjection and expresses ambivalence towards the psychological inclination to obey authority. On the one hand, he sees this inclination, which finds its origins in the earlier impulse to admire the rich while ignoring people of ‘poor and mean conditions’, as “necessary to both establish and maintain the distinction of rank and order in society” (Ibid; I.iii.3). On the other hand, he also recognizes that it is “the great and most universal cause of the corruption of moral sentiments” (Ibid; I.iii.3). Here, Smith’s concerns have much to do with his belief that strong enough distinctions of rank will encourage people to follow the appearances of those distinctions instead of what they are truly supposed to signify. Where this applies to political authority, the concern translates to one where the population becomes progressively less critical of its rulers and consequently, upholds them even when their power does not have legitimate foundations.

3.1.2. *Concluding Remarks on Sympathy, Authority, and the State*

As our analysis of Smith’s conception of authority draws to a close, I would like to make three concluding remarks. Firstly, Smith’s reflections on sympathy and authority in both LJ and TMS provide ample support to the argument that individuals and citizens do not merely subject to the State because it is useful. Although Smith recognizes in WN that the State must be useful to some degree in order to operate properly, his arguments on admiration, obedience and subjection serve to outline that political authority is also rooted in humankind’s psychological inclination to obey authority for its own sake. Political subjection, then, is not entirely rational. Individuals and citizens might be concerned with their interests when they agree to obey the State, but they also subject themselves to its rules because it appears strong and authoritative and not necessarily because their decision is based on facts or sound philosophical arguments. Furthermore, Smith appears to suggest that individuals only tend to question the State when it no longer embodies whatever originally made it appear authoritative in the first place. By exploring the psychological dimension of obedience and subjection, Smith introduces the very trait that distinguishes political authority from social influence and thus, accounts for the specific difference between the State’s *authority* over its subjects and, for instance, the *power* of a corporation or monopoly firm. In the same breath, he is also able to fill in the gaps left open by a utility-driven explanation of authority. From Smith’s standpoint, it is not so much that the utility principle of government is altogether absent from State rule but rather, that the utility individuals and citizens derive from the State *comes after the fact of their obedience*. It retroactively reinforces their pre-existing and “innate” disposition to obey

political authority without question. The inverse, however, is not true to the same extent: the “innate” disposition to obey authority does not automatically reinforce the utility-maximising drive for the simple reason that it does not always reflect either individual self-interest or public interest.

Secondly, Smith’s lengthy exposition on the origins of authority addresses how humankind’s natural inclination to sympathize gradually evolves into obedience and political subjection. To summarize, sympathy turns into admiration when our “natural” propensity to identify with others meets social and economic distinctions in rank. In turn, those distinctions transform the “natural” propensity to sympathize into an assertion of the rich’s “superiority” over the poor. As distinctions in rank become a stable fixture of society, this assertion of “superiority” fuels the impulse to obey figures of authority. Although the impulse to obey expresses itself slightly differently in the social and economic spheres than it does in the political sphere, its origins nevertheless remain the same in all cases. Despite this, however, it is important to remember that social obedience and political subjection are not identical. Rather, they are varying expressions of the same psychological impulse to obey which develops differently in different spheres of human activity.

Thirdly, Smith suggests a reason for why feelings of sympathy and admiration extend to abstract and impersonal entities like the State when he describes the effects of people’s devotion to king and country. He appears to suggest, albeit quite faintly, that “human nature” continues to find new ways of expressing itself even after it runs out of useful ways to do so. For Smith, this is precisely the juncture at which State authority most strongly intersects with human nature. The State secures its authority by acting as a vessel for humankind’s propensity to sympathize; and it passes itself off as this vessel precisely because the need for human beings to extend their sense of self beyond their own bodies is not restricted to other people—it applies to inanimate objects and abstract entities as well. This is best exemplified in the fact that human beings quite regularly personify objects and concepts like wealth or status, for what is this kind personification if not the projection of one’s thoughts, feelings, and intentions, onto something that is otherwise unequipped to receive them? Is that not, in the end, the clearest expression of an impulse to sympathize divorced from any proper sense of utility? And so, to the question ‘why do human sympathies extend to an abstract entity like the State?’ Smith answers: ‘because our impulse to sympathize is not entirely rational, and will continue to express itself long after it exhausts every available rational avenue. States appeal to their authority not through their

political expertise, but by abusing this impulse to their advantage.’ Smith’s earlier ambivalence towards our “natural” disposition to obey authority for its own sake is all the more pressing here. It suggests that he perceives the injustice behind the irrational foundations of State authority but begrudgingly recognizes the need for that authority at the same time. Whereas TMS explores the effects of this injustice more spontaneously, Smith’s reflections on State expenditure in WN focus on exploring the need for authority. This is exactly why Book V of WN examines how the State occupies its major functions while taking for granted that those functions are occupied *legitimately*. This is unsurprising given that WN predominantly examines the role of politics to determine whether it can properly mitigate the social disadvantages produced by the economic division of labour. By focusing on the need for politics in WN, however, Smith leaves himself little room to apply his arguments on the irrational foundations of political authority to the State apparatus in ‘commercial societies’. What I aim to do in what follows, then, is to identify where political authority goes and what happens to it when it meets with a State apparatus that primarily operates by dividing and specializing political labour.

3.2. *On Authority, the Division of Labour, and Sovereignty*

In LJ, Smith establishes four stages of development that societies undergo throughout history. We have tacitly overviewed these stages in chapter one with our account of the historical development of State expenditures, and again in this chapter with a brief mention of ‘shepherd societies’. In chronological order, the stages are: hunting, pastoral, agricultural, and manufacturing. The pastoral stage contains the ‘shepherd societies’ from our earlier example, and the manufacturing stage specifically refers to what Smith calls ‘commercial societies’.

In order to better understand what happens to our “innate” propensity to obey authority for its own sake in ‘commercial societies’, we must contrast the inner-workings of these societies with those of the pastoral stage to determine how each tends to activate our moral sentiments in different ways. The contrast should be between the pastoral and manufacturing stages in particular for the simple reason that they are the only two stages that introduce substantial changes to the authority principle. On the one hand, the pastoral stage is the first to seriously introduce economic inequality into the fabric of society and thus, is also the first to introduce authority as a stable fixture of society. On the other hand, the manufacturing stage is the first to establish the authority principle on something other than relations of personal dependence. Thus, it significantly changes how our “inner” propensity to obey authority out of

impulse interacts with the fabric of society. By contrast, the hunting and agricultural stages introduce no significant innovations to the authority principle. The hunting stage is marked by little property, relatively insignificant levels of inequality¹⁷ and therefore, little to no need for authority as a stable social fixture. The agricultural stage, for its part, amplifies the social and economic inequalities of the pastoral stage and therefore, reinforces the need for authority, but does not introduce substantial changes to the way this authority is either structured or exercised.

3.2.1. *From Personal to Impersonal Dependence: On the Transformation of Authority in 'Commercial Societies'*

Smith originally discusses the pastoral stage and 'shepherd societies' in the second section of his lectures on justice in LJ entitled "Of the Nature of Government and its Progress in the First Ages of Society". Just as Smith argues that economic inequality is the original foundation for civil government in Book V of WN, so too does he begin his description of 'shepherd societies' with the same claim in this section:

The appropriation of herds and flocks which introduced an inequality of fortune, was that which first gave rise to regular government. Till there be property there can be no government, the very end of which is to secure wealth, and to defend the rich from the poor. In this age of shepherds, if one man possessed 500 oxen, and another had none at all, unless there were some government to secure them to him, he would not be allowed to possess them. (Smith; 1896: 15)

Once economic inequality is established as the dominant feature of 'shepherd societies', Smith pursues his argument by explaining how it allows the rich to leverage their considerable means in order to secure social influence over the poor:

This inequality of fortune, making a distinction between the rich and the poor, gave the former much influence over the latter, for they who had no flocks or herds must have depended on those who had them, because they could not now gain a subsistence from hunting, as the rich had made the game, now become tame, their own property. They therefore who had appropriated a number of flocks and herds, necessarily came to have great influence over the rest (Ibid; 15-6)

¹⁷ On this topic, see Smith's reflections on justice as the second branch of State expenditure in part two of chapter one of Book V in WN.

Finally, Smith's argument culminates as he concludes that the primary reason rich shepherds are able to acquire so much influence over the poor is because they have little on which to spend their fortune besides securing the allegiance of others in need of their livelihood:

[I]nequality of fortune in a nation of shepherds occasioned greater influence than any period after that. Even at present, a man may spend a great estate, and yet acquire no dependants. Arts and manufactures are increased by it, but it may make very few persons dependent. In a nation of shepherds it is quite otherways. They have no possible means of spending their property, having no domestic luxury, but by giving it in presents to the poor, and by this means they attain such influence over them as to make them, in a manner, their slaves. (Ibid; 16)

The argument is clear: the rich have authority over the poor because they are wealthy and the poor are not. They exert their authority by leveraging their wealth to enlist the poor, who only seek to make a living, in their service. In this way, the rich are able to make the poor their slaves and to exert their authority over them as *de facto* masters. Here, there is little ambiguity around the economic structure of the pastoral stage: society is organized by relations of personal dependence between rich and poor, i.e. between the higher-ranking and lower-ranking. The rich provide economic protections to the poor in exchange for their allegiance and exercise a high degree of social influence over their lives. The influence extends beyond purely economic matters: the poor, as Smith writes, are slaves to the rich and owe them political support in times of war and conflict, in addition to their economic servitude.

In 'commercial societies', the matter is different. With the advent of a sophisticated division of labour and the corresponding development of the free-market system¹⁸, economic arrangements based on personal dependence are largely abolished. The personal economic arrangements between rich and poor transform into commercial contracts between employer and employee. Both employer and employee meet in the job market and have little to no connection with one another besides the fact that one is seeking to buy labour, and the other to sell it. If they enter a contract with one another on that basis, their relationship is purely economic. Their respective motivations are limited to their own self-interest understood in terms of personal utility-maximization. Neither one owes anything to the other before the contract is signed, and owes only what is agreed upon in the contract after it is concluded. The

¹⁸ Both the division of labour and free market system go hand in hand with Smith, as evidenced by his arguments in chapter three of Book I of WN entitled 'That the Division of Labour is Limited by the Extent of the Market'.

employee differs from the poor shepherds in the pastoral stage insofar as she is formally free to sell her labour to anyone she chooses and has no obligation to stay with her current employer once her contract comes to an end. Since the employee is formally free to sell her labour to whomever she chooses, she is not formally dependent on any one employer in particular and therefore, does not owe her political allegiance to any one in particular. Likewise, employers are not in a position to automatically demand the political allegiance of their employees. The contracts they conclude with these employees are temporary and employees have the possibility to take their services elsewhere when it is finished. In this sense, the employees of 'commercial societies' have more in common with the wage labourers in ancient Rome when political power "extended to the whole body of the people", for instance, than they do with poor shepherds of the pastoral stage, since "the great [Roman nobility] had every trade exercised by their own slaves, and therefore the tailors and shoemakers [who represent "the people" and wage labourers in this example], being no longer dependent on them, would not give them their votes." (Ibid; 25) What characterizes 'commercial societies' from this standpoint, is the fact that its impersonal market relations translate to greater economic options for employees, who are also predominantly wage labourers. In turn, greater economic options translate to greater levels of political autonomy, which differentiate employees of commercial societies from poor shepherds who are 'in a manner, slaves' to their rich overseers. This is why Smith believes that 'commercial societies' tend to organize around the utility principle of government more than the authority principle.

The dissolution of economic relations based on personal dependence does not mean, however, that employees in 'commercial societies' are completely independent. It simply means that they are not dependent on any one employer in particular and gain some degree of political autonomy from that. Ultimately, employees in 'commercial societies' remain dependent on the free market system as a whole. Employees are dependent, in other words, on the entire network of impersonal economic relations providing them with a variety of options for work. If the market collapses and they are obligated, either by circumstance or lack of available options, to work for one employer for the rest of their lives, they risk falling into the same conditions as our poor shepherds and becoming 'in a manner, slaves' to their employer. What this means, then, is that economic relations of 'commercial societies' are based on impersonal, rather than personal, relations of dependence; and that employees not only depend on the economic opportunities they decide to pursue directly, but on all of the economic options available to them on the market since it is the sum of those options which guarantee their

relative autonomy. This distinction between personal and impersonal dependence is extremely important because it suggests that although the employee's dependency *relative* to any one specific employer decreases in commercial societies, her *net* dependency to the economic system as a whole increases at the same time. And since Smith contends that our "innate" propensity to obey authority out of impulse arises from dependency, the transition from personal to impersonal dependence from the pastoral to the manufacturing stage suggests an analog transition in the structure of authority. This "analog transition", as it were, comes with its own set of challenges since it suggests that workers in 'commercial societies' will be predisposed to project feelings of deference and obedience towards an economic system so vast, impersonal and complex that they cannot follow or grasp all of its moving parts. As we will see in what follows, this creates a kind of anxiety and restlessness that become the basis of authority in 'commercial societies'.

3.2.2. *Impersonal Dependency, Authority and Moral Sentiments in the Age of Commerce*

Under economic arrangements marked by a sharp degree of personal dependence like those of the pastoral and agricultural stages, moral sentiments move in the direction of the individual's aspirations for social mobility. This is to say that the individual's moral sentiments move from the lower-ranks of society to the higher-ranks because the poor have a direct personal relationship to the rich who oversee them. This personal relationship is what transforms the poor's "innate" propensity to sympathize into feelings of admiration and allegiance for the rich. In turn, those feelings of admiration and allegiance compound and crystallize to become the foundation of authority for the rich over the poor. The inclination to obey authority out of impulse is the product of that compound effect. It is what happens when people's inclination to share in the joys and sorrows of others intersects with economic and social inequalities that make it seem as if one rank of people is superior to another.

In the manufacturing stage, however, economic arrangements are marked by a sophisticated division of labour and a free market system. They are organized around impersonal and purely instrumental relations of dependence which give no clear direction to the individual's sympathies or moral sentiments more generally. As a result, the individual has no clear object on which to attach her sympathies and antipathies—either at work or in the marketplace. The economic system on which the individual depends is indifferent to her joys and sorrows as well as to the joys and sorrows of others. Its cold and mechanical design is suited only to produce and distribute commodities as efficiently as possible independently of

the larger moral landscape of what Adam Smith calls “human nature”. As the economic sphere pulls away from the realm of “human nature” in this way, economics become less and less rooted in things that intuitively make sense to human beings. By the same token, human beings are forced to make sense of the world in which they live independently of how they make a living. The nature of authority and political subjection changes accordingly: the poor’s material dependency on an abstract market system continues to foster their psychological dependency. However, while ‘commercial societies’ continue to foster psychological dependency, they do not create outlets for people to express it: the relationship between employer and employee is defined in purely instrumental terms and as such, does not consistently elicit a need for employees to view the social position of their employer as enviable or worthy of their ambitions/aspirations. As a result, employers lose the ability to command the respect of their employees as authority figures. Instead, their power owes to the fact that employees are looking to make a living and have no better option to do so than by offering their services to someone who can afford to buy them. The hold employers have over their employees loses its mystique, its veneer of otherworldliness and thus, its authoritativeness. But the need for authority does not disappear for all that. It is simply displaced because it cannot be projected onto the complex, abstract and impersonal market system on which people depend for their livelihood in ‘commercial societies’.

Political subjection follows the same pattern: it is no longer rooted in the way people express their moral sentiments *per se*, but in the fact that their moral sentiments are systematically unexpressed in ‘commercial societies’. The more rationalized the free-market system and economic division of labour, the more impenetrable those systems become to our “innate” need to sympathize. The need to express sympathy “bounces off” these systems like a ball bounces off a wall, and collapses back onto the individual who felt the need to extend their sympathies beyond their own body before that need is ever met. Here, the systematic difficulty in expressing sympathy in a society that is not only structurally unequal, but also highly impersonal, gives way to new and more troubling sentiments than those of pastoral and agricultural stages: not misdirected feelings of admiration and allegiance for petty authority figures, but isolation, anxiety, worry and fear—each of which represents a failed attempt for human beings to share in the joys and sorrows of others, or to have others share in their joys and sorrows, by pursuing the freedom to bring one’s “[...] industry and capital in competition with those of any other man, or order of men.” (Smith: 1827; 286) As these new sentiments

arise from the impersonal character of ‘commercial societies’, authority tends to concentrate in whomever, or whatever, promises to alleviate those feelings.

3.2.3. *Anxiety, the Division of Labour, and the Need for Authority in ‘Commercial Societies’*

Earlier, I mentioned that people’s dependency *relative* to their employers decreases in a free market system while their *net* dependency to the system as a whole increases at the same time. However, I did not explain how this trend also applies to the work-process of ‘commercial societies’ which is characterized by the division and specialization of labour. More importantly, I have not yet examined how the division of labour is also responsible for creating feelings of isolation, anxiety, worry and fear that ultimately serve as the only consistent means to express the authority principle in ‘commercial societies’. This section is meant to address those things directly.

In the first chapter, I insisted that workers operating under a sophisticated division of labour have greater trouble removing themselves from their jobs than workers from past historical stages. I briefly suggested that it is because workers like manufacturers and artificers do not directly work for their subsistence while shepherds and farmers, for instance, do. As a result, once shepherds and farmers tend to their needs through their work, they have more leeway than our titular manufacturers to remove themselves from their jobs to pursue other social activities. But while this is still generally true, it also conceals the most important distinction between manufacturers from past historical stages and manufacturers working in ‘commercial societies’. And to emphasize this distinction, let us return to Smith’s account of his proverbial pin manufacture in Book I of WN:

[I]n the way in which this business is carried on, not only the whole work is a peculiar trade, but it is divided into a number of branches, of which the greater part are likewise peculiar trades. One man draws out the wire; another straightens it; a third cuts it; a fourth points it; a fifth grinds it at the top for receiving the head; to make the head requires two or three distinct operations; to put it on is a peculiar business; to whiten the pins is another; it is even a trade by itself to put them into the paper; and the important business of making a pin is, in this manner, divided into about eighteen distinct operations, which, in some manufactories, are all performed by distinct hands [...] (Smith: 1827; 3)

What characterizes the structure of labour in this proverbial pin manufactory is that the individual operations of any one specific worker are but a fraction of the entire pin-making

process. The individual operations of any one worker only have value in relation to all of the other work done to complete the pin-making process. As the worker's job becomes more and more specialized, its value decreases relative to the pin-making process as a whole because the worker herself oversees a smaller and smaller fraction of that process. The decreasing value of her job (and labour) is a sign of her growing dependency on the work-process as a whole, which becomes increasingly complex, impersonal and abstract as it is divided among an ever-growing amount of people performing an ever-greater number of specialized tasks. Here, the work process contains, if not mirrors, the exact same pattern I discussed with the free market system: the employee's dependency relative to her particular employer decreases while her net dependency to the economic system as a whole increases at the same time. This pattern is what distinguishes employees in 'commercial societies' from our earlier tailors and shoemakers of ancient Rome, for instance, who single-handedly make their clothes and shoes from start to finish or at the very least, oversee most of the process themselves. In a very different context, Georg Lukàcs echoes this distinction in *History and Class Consciousness* (1923):

[...] the mechanical disintegration of the process of production into its components also destroys those bonds that had bound individuals to a community in the days when production was still 'organic'. In this respect, too, mechanisation makes of them isolated abstract atoms whose work no longer brings them together directly and organically; it becomes mediated to an increasing extent exclusively by the abstract laws of the mechanism which imprisons them. (Lukacs: 1967; 90)

On the surface, the worker's increased dependency on the work-process as a whole in the manufacturing stage of history does not seem to affect her political autonomy. The workers in our proverbial pin manufactory, for example, do not owe political allegiance to their employers and in this sense, appear to enjoy the same political freedoms as the tailors and shoemakers of ancient Rome who "being no longer dependent on [the nobility], would not give them their votes." (Smith: 1898; 25) But the truth of the matter is much more complicated, and the worker's increased dependency on the overall work-process does affect her political autonomy in subtle but decisive ways. For one thing, her dependency is conducive to fostering attitudes of *fear* and *constant worry*. *Fear* and *worry*; because the complex nature of the division of labour means that she relinquishes more and more control over her own livelihood to all of the other workers who complete all of the other operations necessary to the overall work-process. The individual worker, then, lives in constant worry that if any other part of the work-process breaks down for whatever reason, she will not be able to do her job or secure her

livelihood. The more sophisticated the division of labour, the more amplified the fear. If workers, for instance, are in a smaller manufacture where each one is expected to perform multiple steps of the production process, they are more likely to know one another personally and to cope with their worries by resolving work-related problems among themselves. However, this coping strategy is not possible in a bigger manufacture where each specific task is assigned to different workers because in that case, each individual worker is isolated from each other worker. In bigger manufactures, the work-process is such that workers are helpless but to put their trust in co-workers whom they may have never met, over whom they have no direct control, but on whose activities they nevertheless rely for their own livelihood—and therein lies feelings of extreme *isolation* accompanying those of *anxiety*, *fear* and *worry*.

The last paragraph can effectively be summarized in one insight: that the productive advantages of the division of labour are predicated on organizing work in a way that tends to heighten people's fear of losing their livelihood. And this fear is heightened precisely because individual workers must constantly contend with the fact that as labour specializes, their livelihoods depend less and less on their own job operations, and more and more on the job operations of every other worker in their workplace. At the same time, the worker's uncertainties about the future are amplified because the amount of unknown variables contributing to her job security increases exponentially. In other words, the individual worker's increased dependency on the abstract and impersonal mechanisms the work-process as a whole promotes feelings of *anxiety* reminiscent of those described by Smith in TMS, and that prevent her from "knowing when [she is] well, when it [is] proper for [her] to sit down and to be contented". (Smith: 1809; III.3) When Smith originally describes anxiety in the previous quote, he intends it as a warning against the excessive pursuit of wealth which promotes excessive vanity and status achievement. He is arguing, in effect, the pursuit of a greater social status leads to a perpetual restlessness preventing happiness and contentment. In this case, however, the context is different, but the effect is very nearly the same: workers are indeed restless and struggle to find contentment, but it is not because they are pursuing the frivolous pleasures of vanity or because they are primarily motivated by achieving a higher social status. Rather, it is because the business of making a living has become so much more complex and specialized, that their livelihood depends on a myriad of factors escaping both their understanding and control.

On a political level, this feeling of anxiety has the effect of leaving people wholly unprepared for public life or action. It draws attention to their concern for those things that

might take away their jobs and livelihoods and by the same token, weakens their resolve to lead an active public life beyond that concern. At the same time as this concern encourages people to divest from public life beyond their own self-interest, it expands to occupy all of politics—until people’s primary expectation of politics is to rescue them from their own worries about the future. When these worries combine with the other negative effects of the division of labour—losing one’s capacity for noble and tender sentiments, for rational conversation, for making good judgements on private and public life, for developing social, intellectual, and martial virtues—they run the risk of creating a psychological *boiling point*; a point where people’s worries about the growing complexity of economic life lead them to decompensate in the political sphere; a point where people demand to be rescued from their anxieties by a single figurehead who concentrates political power and simplifies its exercise to increase their *feeling* of security while actually doing nothing to solve their problems; a point, in sum, where working citizens impulsively sacrifice their political autonomy to submit to a figurehead acting as both a living embodiment of the *politeia* and as its saviour/protector.

3.2.4. *Anxiety, the Division of Labour, and the need for Authority in ‘Commercial Societies’ (2): Smith, Montesquieu and La Boétie*

By connecting the feelings of isolation, anxiety, fear and worry that workers experience under the division of labour to Smith’s authority principle of political obligation, I have brought Smith’s economic analysis closer to his political psychology in the hopes of better explaining the nature of authority in ‘commercial societies’. And in so doing, I have brought Smith’s authority principle closer to the likes of Montesquieu and La Boétie who analyze how unchecked obedience to authority can lead to tyranny and despotism. The parallels are certainly worth noting: in the *Spirit of Laws*, for instance, Montesquieu argues that fear (*crainte*) is the principle on which despotic governments succeed in concentrating power to the detriment of the *politeia* as a whole. Montesquieu primarily understood this fear within a political context and imagined, for example, the citizen’s fear of being wrongfully arrested, of seeing his property confiscated, or of being executed at the whim of the despot. But the reason why this fear leads to despotism according to Montesquieu is perfectly compatible with our analysis in the previous section: it is because fear of these things leave people wholly unprepared for public life and thus, make it easier for despots and tyrants to seize power while members of the public are overly preoccupied with their immediate self-interest. Whether that fear arises from the possibility of wrongful imprisonment, loss of property, or the destabilization of people’s livelihood following the division and specialization of labour, it ultimately reduces the

politeuma, as Montesquieu would put it and as Smith would agree, to a shell of its former self. Whatever the case may be, the working citizen's capacity for courage is eroded, her spectrum of social experiences are largely confined to that of animal-like instincts, and she is conditioned to become short-sighted, fearful of the law, and excessively obedient as a result:

Dans les États despotiques la nature du government demande une obéissance extrême: et la volonté du prince, une fois connue, doit avoir aussi infalliblement son effet qu'une boule jetée contre une autre doit avoir le sien. Il n'y a point de tempérament, de modifications, d'accommodements, de termes, d'équivalents, de pourparlers, de remontrances; rien d'égal ou de meilleur à proposer. L'homme est une créature qui obéit à une créature qui veut. On n'y peut pas plus représenter ses craintes sur un événement futur, qu'excuser ses mauvais succès sur le caprice de la fortune. Le partage des hommes, comme des bêtes, y est l'instinct, l'obéissance, le châtiment. (Montesquieu: L'Esprit des lois; 127)¹⁹

La Boétie analyzes a similar phenomenon than Montesquieu, but approaches it differently. He is concerned with the notion of *voluntary servitude* which, as the expression suggests, explores the part of political subjection that does not automatically proceed from external constraints but rather, stems from the subject's consent to their subjection. In other words, it explores the part of servitude that makes the subject an accomplice to tyranny and despotism. To that effect, la Boétie observes people's enchantment with 'the name of one'; he observes how people are seduced by the mystique of tyrants or strong leaders who present themselves as god-like figures:

Pour ce coup, je voudrais sinon entendre comme il se peut faire que tant d'hommes [...] endurent quelquesfois un tyran seul, qui n'a puissance que celle qu'ils lui donnent [...] Grand'chose certes, et toutefois si commune qu'il s'en faut de tant plus douloir et moins s'ébahir voir un million de millions d'hommes server misérablement, ayant le col sous le joug, non pas contraints par une plus grande force, mais aucunement (ce semble) enchantés et charmés par le nom d'un seul, duquel ils ne doivent ni craindre la puissance, puisqu'il est seul, ni aimer les qualités, puisqu'il est en leur endroit inhumain et sauvage." (Boétie: Discours de la servitude volontaire; 132-3)²⁰

¹⁹ Translation: "In despotic states the nature of the government requires extreme obedience, and the prince's will, once known, should produce its effect as infallibly as does one ball thrown against another. No tempering, modification, accommodation, terms, alternatives, negotiations, remonstrances, nothing as good or better can be proposed. Man is a creature that obeys a creature that wants. He can no more express his fears about a future event than he can blame his lack of success on the caprice of fortune. There, men's portion, like beasts', is instinct, obedience, and chastisement."

²⁰ Translation: "For the present I should like to merely to understand how it happens that so many men, so many villages, so many cities, so many nations, sometimes suffer under a single tyrant who has no other power

Here, De La Boétie strays from Montesquieu to focus not on fear (since fear brings us back to the external constraints that force people to obey authority figures) but on the parts of authority that seduce and enchant us into a state of obedience. And here too there is an interesting parallel to make with Smith's authority principle, since it rests on the idea that certain "innate" psychological impulses within humankind can be distorted to express a strong propensity to obey authority figures even when there is no need to or benefit in doing so. To that effect, the passage in TMS where Smith muses on how "nature teaches us [...] to bow down before [the] exalted station [of kings], to regard their smile as a reward sufficient to compensate any services, and to dread their displeasure, though no evil were to follow from it, as the severest of all mortifications" (Ibid; 89) clearly borrows from the same insights as those informing La Boétie's analysis. For both Smith and La Boétie, then, understanding the role of authority must pass through an understanding of those principles compelling people to obey authority for its own sake. In both cases, there is a concern for what happens when those principles occupy too much space in public life.

3.2.5. *Authority, the State and Sovereignty*

When Smith illustrates the psychological underpinnings of political authority in TMS, many of his examples consist in demonstrating how people impulsively prostrate themselves to kings and absolute monarchs as vessels of authority. If we follow Smith's arguments in LJ, however, we quickly realize that his examples of political authority in TMS are already outmoded by the time of his later writings. After all, Smith claims in his first lecture on justice that the development of arts and manufactures in 'commercial societies' promotes a structure of government based on utility and greater liberty for citizens—not one that relies on power being exercised by an authority figure like the absolute monarch. Smith, in fact, repeats this argument in Book IV of WN when he writes that the key to the success of the American colonies is the freedom and security established by the British system of government:

[T]he liberty of the English colonists to manage their own affairs their own way is complete. It [...] is secured [...] by an assembly of the representatives of the people, who claim the sole right of imposing taxes for the support of the colony government. The authority of this assembly over-awes the executive power [...] The colony assemblies, though, like the house of commons in

they give him [...] Surely a striking situation! Yet it is so common that one must grieve the more and wonder the less at the spectacle of a million serving and wretchedness, their necks under the yoke, not constrained by a greater multitude than they, but simply, it would seem, delighted and charmed by the name of one man alone whose power they need not fear, for he is evidently the one person whose qualities they cannot admire because of his inhumanity and brutality toward them."

England, they are not always a very equal representation of the people, yet they approach more nearly to that character; and as the executive power [...] has not the means to corrupt them, they are perhaps in general more influenced by the inclinations of their constituents [...] [Furthermore i]n none of the English colonies is there any hereditary nobility [...] There is more equality, therefore, among the English colonists than among the inhabitants of the mother country. Their manners are more republican, and their governments [...] have hitherto been more republican too. (Smith; 1827; 240-1)

To borrow Jerry Evensky's (2015) words, the previous passage makes clear that for Smith, "independent citizens enjoying freedom and security are the ultimate source of *The Wealth of Nations*." (142) If we follow Smith's argument to its conclusion, it leads us to believe that he expected more "republican" governments to replace absolute monarchies with the progress of commerce in the manufacturing stage of history. With that, Smith would anticipate political regimes rooted in utility rather than authority. This brings us to ask: where does authority go in 'commercial societies' if there are no more absolute monarchs to wield it? Who or what exercises political authority in that case? And where do the figureheads posturing as saviours/protectors of the *politeia* come from if 'commercial societies' are rooted in impersonal (rather than personal) mechanisms of power?

In *An Anatomy of Authority: Adam Smith as Political Theorist* (2005), Elias Khalil assumes that the State becomes the *de facto* repository of political authority in 'commercial societies'. This means that for Khalil, the State becomes the new vessel on which individuals project their expanded sense of identity and this, *in addition* to its role as a political service-provider. But there is a problem with that argument, and it develops as a function of the "political" division of labour. By dividing its administrative functions and subsequently assigning them to different groups of specialists, the State organizes itself around a network of impersonal social relations just like the economy does. And since its constitutive social relations are *impersonal*, the State itself functions on too cold and mechanical a basis to properly accommodate its subjects' "innate" propensity to sympathize. In other words, the State operates on such a stale, frigid and seemingly inhuman basis that its subjects lose the ability to identify or sympathize with it as an apparatus. As a result, the State also loses the ability to command authority by inspiring feelings of "hard" subjection. And so, we once again return to our earlier questions: what happens to political authority in commercial societies? Who or what wields it if not the State apparatus? And where do the figureheads who posture as saviours/protectors of the *politeia* come from?

The only possible answer that fits Smith's overall intellectual schema, is that the *sovereign* rather than the State apparatus in its entirety, becomes the primary vessel of political authority in 'commercial societies'. To be clear, I am referring to the very same sovereign whose reputation and dignity should, according to Smith in Book V of WN, be maintained as the fourth and final function of the State. In light of our reflections on authority, it now becomes easier to understand why the dignity and reputation of the sovereign would continue to matter in 'commercial societies': it is because she provides symbols of importance that attract people's attention and by the same token, concentrate their "innate" impulse to revere, to worship and to "pay respect" without question, around a single figurehead. The symbols of the sovereign's prestige act as near perfect representations of authority in that regard. They are symbols that provide clear, precise, and unmistakable indicators of authority capable of rallying people's innate psychological drive to revere "that constitution or form of government which is actually established" (Ibid; 315) under a single figurehead.

The State needs to maintain the dignity and reputation of the sovereign because it is the last major available outlet for people's frustrated outpourings of emotion in 'commercial societies'. The sovereign's reputation and dignity serve to project political authority where the State apparatus is otherwise unable to embody it. It is of little wonder, then, how concentrated attention on the sovereign easily leads to cults of personality reminiscent of those Smith describes for kings and absolute monarchs. And it is little wonder, given this context, how or why the sovereign tends to posture as both the potential saviour of the *politeia*, and its embodiment at the same time. But there is something else to consider: in 'commercial societies' specifically, the authority-function of the sovereign also serves as a psychological safety-valve for society. By focusing society's gaze around herself, the sovereign relieves people's feelings of anxiety and restlessness as the economic and political divisions of labour become too complex. She is meant to relieve the psychological pressures caused by an ever-growing specialization of both labour and knowledge, as well as the fear accompanying that specialization—the fear among individuals that their social life increasingly depends on factors that escape both their understanding and control. By presenting herself as a simplified embodiment of the *politeia*, the sovereign can relieve the *feelings* of psychological pressure its subjects experience—but only the *feelings*, since she does not have the power to resolve the complex material contradictions of her society. Relieving people's *feelings* of fear and anxiety while inspiring *feelings* of unity and respect for order—that becomes the branch of State operations in which the sovereign specializes.

The more the sovereign specializes in embodying the *politeia* and becoming the public face of politics, the more isolated she actually is from public life as a whole and the more her authority rests on the illusion of politics. In this sense, the sovereign actually is an embodiment of the material conditions of ‘commercial societies’, but no more than the average worker: the sovereign’s isolation from the rest of public life mirrors the worker’s isolation from all of the social activities that are not immediately related to her highly specialized economic operations. The major difference between the sovereign and the average worker, however, is that it is the sovereign’s job to attract the working citizen’s attention at the moment where that citizen realizes that she has lost sight of what she has in common with all of the other members of her *politeia*. It is the sovereign’s job to become a beacon for people’s fears and insecurities when they come to the terrible realization that they have lost hold of their society and its politics. It is the sovereign’s job, in other words, to distract people from the way that the specialization of both economic and political labour threatens to actually fragment and disintegrate their *politeia*. And insofar as we can say that the sovereign’s primary function in ‘commercial societies’ has become a “job” with its own distinct and specialized set of operations, we can also say that the sovereign, as opposed to the kings of old, represents the first authority figure in history that we specifically *hire* to both worship and reign over us.

Conclusion

Revisiting Caveats and Tripping Points and Highlighting Avenues for Further Research

In the introduction and first chapter of this dissertation, I claimed that Adam Smith's story of material wealth cannot be understood without also telling the story of major social crises in the age of manufacturing and the free-market. Using Smith's system of thought, I even argued that the way in which wealth is produced in 'commercial societies' goes hand in hand with its constitutive crises and that, as a consequence, the increased out-put rate of wealth in those societies corresponds to a simultaneous increase and intensification of the crises. Since the time of Smith's writings, the underlying phenomenon which sets this story into motion—the division of labour—has only grown more advanced and widespread. Social and political crises have generally followed suit in the wake of those advancements. The general increase, if not intensification, of social and political crises bring something important to light: that the continual division and specialization of labour delays and obstructs a decisive resolution to the story Smith tells about 'commercial societies'. The more sophisticated the division of labour, the more its central conflict "escalates" and the more difficult it is for the story of 'commercial societies' to pass into its third and final act, i.e. into the *climax* and *dénouement*. In other words, the more sophisticated the division of labour, the greater the delay on de-escalating the central conflict in which 'commercial societies' are mired.

By re-emphasizing, if not reintroducing, politics and social/power relations into Smith's system of thought, this dissertation endeavoured to identify some of the economic and social forces that delay and obstruct a proper resolution to the crises generated by the division of labour. The goal in identifying these forces is to help highlight where political action can most effectively intervene to break the economic and social stalemate at the heart of 'commercial societies'—the very same stalemate that traps Smith between *morality* and *technique* and which makes State intervention into economic/social affairs incapable of properly addressing the core problems of the 'labouring poor' and the *politeia* more generally. There is certainly an urgent need to pursue this goal as the division of labour and its negative social effects have only grown more intricate since the time of Smith's writing. They have made Smith's description of the crises plaguing 'commercial societies' that much more poignant: ignorance,

“stupidity”, the loss of noble sentiments alongside the capacity for rational conversation, an avid fixation on social appearances culminating in vanity, the loss of moral, intellectual, and martial virtues, and a general inability among the majority of the population to form proper judgements on their private and public duties, become representative features of the political condition in the age of manufacturing and commerce. They become visible signs of a *weak* citizen-body and a working population that is doubly deprived—entrapped within an increasingly one-dimensional economic structure on the one hand, and excluded from direct political action on the other.

Among our current ‘commercial societies’ the poignancy and relevance of Smith’s description (to say nothing of his larger diagnosis) is hard to ignore. At the same time, it is also hard to ignore a persistent trend to depoliticize the most visible signs of the crises as if to make them seem disconnected from the underlying structure of ‘commercial societies’. Certain “culture critics”, for instance, would embrace Smith’s earlier description (rising levels of ignorance, of vanity, a steep decline in the practice of private and civic virtues, etc.) to lament the loss of civility in public discourse, to comment on the precipitous decline of rational conversation in society, or to worriedly sound the alarm when marginalized groups display what they consider to be “bad” judgement in their private or public lives²¹. This overt fixation on the signs of a deteriorating civic sphere perfectly underscores the reason why ‘commercial societies’ struggle to overcome their social and political crises: the greater the focus on the signs of the crises, the more these signs are uprooted from their underlying economic and political context—the very same that Smith endeavours to painstakingly outline. The more

²¹ There is an entire cottage-industry of modern social criticism specializing in the analysis of the moral, psychological, intellectual, etc. deterioration of contemporary society. And although its theorists are not necessarily public figures *per se* (despite the fact that they are all “culture critics” in the broadest sense), the fixation on this deterioration as “a sign of the times” speaks clearly to what I am attempting to critique in this paragraph. The emphasis of the analysis, however well-intentioned it may initially be, is placed on culture and cultural degeneration without sufficiently examining its corresponding economic and political context, or providing a serious enough analysis of the impact of prevailing power structures on social trends. The result is that culture is reduced to the prevailing “character” of the times which in effect, is little else but an extension of specific characteristics observed in certain individuals compounded, like any good fallacy of composition, over the prevailing social theatre once those characteristics reach “critical mass”. Among this cottage-industry, a few classic examples are Christopher Lasch’s (1979) *The Culture of Narcissism*, Gilles Lipovetsky’s (1983) *L’ère du vide* and Allan Bloom’s (1987) *The Closing of the American Mind*. Recently, this industry has enjoyed a renewed boom in attention: Lukianoff & Haidt’s (2018) *The Coddling of the American Mind*, for instance, has won strong accolades in 2018 for its “analysis” on why college and university students have recently taken, according to the authors, to micromanaging community speech, using “call-out culture” to shame people who speak their minds, and to organize demonstrations against controversial speakers whose ideas they find “offensive”. In both the title and its framing of the “problem”, this book establishes itself as a spiritual descendant of Allan Bloom, and picks up on the topic of social, moral, and intellectual deterioration more or less where he leaves off.

decontextualized the signs, the more likely they are to be mistaken as the *cause* of the crises instead of their *effects*.

As the signs of the crises are mistaken for their cause, political discourse and action shifts from the idea that the deteriorating moral, social and intellectual conditions of the ‘labouring poor’ should be improved, to the idea that the ‘labouring poor’ are *inherently* ignorant, stupid, vain, indifferent to noble sentiments, incapable of good judgement, etc. Here, the signs of the crises are treated as ingrained character-traits of the majority of the population. As we have shown alongside Smith, this is categorically untrue. But the falsehood remains politically useful and continues to roam the halls of public discourse for its utility. And its utility consists in this: to believe that the ‘labouring poor’ are inherently stupid, ignorant, and incapable of “good” judgement, is akin to believing that they lack the capacity to govern themselves. The corollary to this belief is therefore that *the labouring poor should inherently be governed*²²—a corollary that uncritically justifies the current political and economic divisions of labour by disconnecting their negative social effects from their underlying productive causes.

In the final analysis, the previous trend among “culture critics” indicates precisely what Smith tacitly conveys in his passage on the deteriorating conditions of the ‘labouring poor’. It indicates that the crises of ‘commercial societies’ can be summed up, according to Smith, in essentially these words: *social and political alienation*. The majority of the population, i.e. the *politeuma* or ‘labouring poor’, are estranged from the decision-making process through which power is broadly exercised in society because they are confined to a few menial economic operations for the better part of their lives. By being deprived of the opportunity to participate in important social and political decisions directly, this majority also loses the opportunity to exercise the faculties that direct public action would otherwise develop. Rational conversation as well as noble and tender sentiments disappear as individual citizens lose the opportunity to

²² The parallels between this argument and what Rancière (2006) calls the ‘hatred of democracy’ in his book of the same name, is too striking to avoid mention. Although he does not explicitly introduce a class component in his argument, Rancière would certainly agree that behind the belief that ‘the labouring poor should inherently be governed’, there is a profoundly antidemocratic sentiment which he characterizes as follows : “Democratic government [...] is bad when it is allowed to be corrupted by democratic society, which wants for everyone to be equal and for all differences to be respected. It is good, on the other hand, when it rallies individual enfeebled by democratic society [...] to defend the values of civilization. The thesis of the new hatred of democracy can be succinctly put: there is only one good democracy, the one that represses the catastrophe of democratic civilization.” (Rancière: 2006; 4) If we replace the term ‘democratic government’ with ‘State’, ‘democratic society’ with the ‘labouring poor’, and we substitute ‘democratic civilization’ for ‘the system of order the State intervenes to maintain in commercial societies’, the same argument applies in both contexts.

measure their motivations against those of their peers in a public setting where power is held and exercised. The ability to judge on the ordinary duties of private and public life also disappears in a similar fashion as individual citizens lose the opportunity to measure their self-interest against their public interest. And so on and so forth.

The fact that Smith chooses to measure social and political alienation through the ‘moral’ faculties of the individual citizen may seem puzzling and indeed, can lead to the false conclusion that Smith is ultimately disinterested in political matters. But there is an alternative explanation to his choice which accounts for his interest in political subjection, ‘public spirit’ and the threat posed by the ‘man of system’. Smith believes, whether rightly or wrongly, that individuals represent a great locus of freedom in society because the intricacies of their inner (and by extension private) lives are far too great for any social force or State to properly contain. By virtue of their particular upbringing, experiences, challenges, aspirations, fears and the like, individuals are confronted with choices involving such a specific combination of factors that no social institution or State is effectively capable of providing a readymade blueprint for their decisions. It is Smith’s hope, in a sense, that individuals are afforded the opportunity to carry the best of what they learn in society to those areas of their lives that no one else can experience for them; those areas where there are no predetermined answers to the decisions they must make, and where their best judgement rules the day.

We may feel inclined to dispute, contra Smith, the idea of individuals as a reliable measure of freedom in society. Even then, however, the subtext of Smith’s political equation retains some of its relevance: areas of great freedom, no matter where we find them in society, represent places of such great intricacy that measures of social and political control do not easily or effectively apply to them. These areas should be respected because otherwise, social and political institutions will endeavour to exert their power over things they do not properly understand and cannot effectively control. In this case, social and political institutions “waste” their power by not exercising it effectively, and risk not having enough left over to maintain the growth and stability of society as a whole. In Smith’s case, individuals represent one of the great areas of freedom. In their effort to condition the lives of individual workers and subjects down to the smallest detail through increasing trends in *automation*, the economy and the State of ‘commercial societies’ deny the existence of that freedom. They become affected by the false belief that there is no realm of society too intricate to escape the machinery of their control. That false belief is not an assessment of their actual material position in society. Rather, it is an assessment those institutions make about their own power in society, as well as how

that power should be directed. The assessment is ultimately dangerous to the integrity of the *politeia* because it risks “wasting” powers of production and social reproduction by directing them towards avenues that do not benefit from the application of social and political control. Whether we wholeheartedly agree or disagree with Smith on the value of individuals as a great locus of freedom in society, the following remains true: insofar as the economic sphere and the State wrongly assess their power by denying the power of other actors and institutions in society, we are right to interpret the central conflict of ‘commercial societies’ in Smith’s body of thought as a matter of social and political alienation. And insofar as that assessment is driven by the principles of *specialization* and *automation* underlying the division of labour, they provide us with yet another reason to read Smith’s account of the division of labour *politically* and not just economically.

A final note on the concept of freedom, political alienation and the role of individuals in Smith’s body of thought: the core insight of this dissertation has been that Smith outlines how the mechanisms producing wealth in ‘commercial societies’ are also the same that produce isolation by sorting social agents into one kind of extreme condition or another (wealth or poverty, power or powerlessness, etc.). In the sixth edition of TMS, Smith seems adamant that the solution to these growing social extremes is to develop virtue and moral character. But this does not mean, as it is often interpreted today, that Smith believes it to be the individual’s responsibility to undertake this solution by and solely for herself. Smith is more careful and nuanced: he appreciates that moral character develops where specific material conditions meet specific social relations; that character, whether moral or otherwise, is conditioned and socialized even if it is accountable to the ‘impartial spectator’ within every individual. The specific character of virtue Smith invokes to repair the worst excesses of ‘commercial societies’ is therefore a social project more than an individual one. Where it appears to some of Smith’s readers as an individual project first and foremost, it is because Smith is adamant that the specific experiences of each individual are so complex and fluid that there is no predetermined social referee or authority figure to guide the individual in how to best apply society’s moral project to their specific personal circumstances. As a practical matter, the individual becomes that social referee for herself where no other referee exists. This is where the individual’s freedom comes into play—not in exempting herself of her social responsibility, which is also her moral responsibility, but in doing the best that she can when encountering situations where there is no predetermined moral, social or political solution. Smith’s concern with the fact that ‘commercial societies’ produce social extremes stems from the fact that he sees these extremes

as preventing individuals from accessing the kinds of social, moral and political situations where they can freely exert their best judgement. His social project and his call for government intervention is driven by the belief that if we improve the economic and social conditions of ordinary individuals in ‘commercial societies’, we can help them reach those situations where they can access their better judgement and thus, “do” politics.

What Smith ignores in that call, but that he begins to recognize in the historical specificity of ‘commercial societies’, is that ‘commercial societies’ as a whole are unprecedented. There is no predetermined course of moral, social or political action to follow in those societies. There is no need for individuals to access extra-economic spheres to “do” politics for the simple reason that neither morals or politics are “out there”, i.e. beyond the reach of people’s working lives. In light of this, I interpret the goal of Smith’s moral and social project to be, in the final analysis, eliminating the barriers impeding people from using their power responsibly and in light of what is actually happening in the world. And here, I go further than Smith to explicitly state that this goal can only be realized by abolishing the mechanisms that sort people under increasingly extreme conditions at opposite poles of social life. If we were to try attenuating these extremes instead of abolishing the mechanisms that produce them, as Smith proposes to do with government intervention, we would only fuel the false impression that these extremes are not all that politically significant, and that “doing” politics necessarily means applying our better judgement away from our material and working conditions to focus on a “purer” idea of public life. And as we have seen throughout this dissertation, it is precisely this false impression that empowers the State to expropriate individuals from politics in the first place. It is this impression, in other words, that fuels political alienation by legitimizing the artificial separation of politics from the rest of the social world.

I will revisit the idea of alienation in the section after next. Before then, however, I will revisit the main caveats and tripping points of this dissertation project.

4.1. Revisiting the Main Caveats and Tripping Points

4.1.1. On the ‘Regional’ Separation Of Economic and Political Spheres

In the introduction, I briefly discussed the problems of separating the economic and political spheres into different categories as a central issue in Smith’s political-economic theory. As I revisit these problems and underscore how they have impeded this dissertation, I believe it is important to highlight how the ‘regional’ separation of economics and politics in

Smith's body of work has provided the basis for later Marxist base/superstructure theories. Since these theories are also predicated on separating economics and politics as distinct 'regions' of social activity, delving into a critique of those theories on that basis will deepen our understanding of the caveats and tripping points of Smith's political-economy. Let us begin, then, by providing a general critique of Marxist base/superstructure theories.

Although there are many variations to base/superstructure theories, they more or less converge on the following point: they adopt modes of analysis treating the economic 'base' and the legal, political and ideological 'superstructure' of society as "qualitatively different, more or less enclosed and 'regionally' separated spheres." (Wood: 1995; 21) While the more orthodox of these theories articulate the 'regional' separation through the 'base' and 'superstructure' monikers, its variants will speak of either economic or political 'factors', 'instances', 'levels', etc. By softening the language of the more orthodox theories, the variants may endeavour to stress the interrelation between economic and political 'factors', but they can only stress that interrelation by referring back to the spatial remoteness between the economy on the one hand, and the law, politics and ideology on the other. As a result, the same theoretical framework pervades the orthodox base/superstructure theories and its variants.

These theories not only separate the economic 'base' from the legal, political and ideological 'superstructure' of society, but they also tend to ascribe a specific function to each spatially separated sphere: the production of wealth for the economic 'base', and its subsequent (re-)distribution for the 'superstructure' writ large. Since the 'superstructure' is viewed as the realm of the law, politics, and ideology, its function (i.e. distribution) is typically seen as the activity around which social relations converge in base/superstructure theories. The opposite impression prevails for the economic 'base': since social relations seem to converge around things like the law, politics and ideology, the economy and its mechanisms of production are treated as if they exist outside of society, i.e. away from the social relations in which the production of wealth is necessarily embedded. Although base/superstructure theories agree that the political superstructure may very well intervene in the economy, the economy itself is nevertheless emptied of its social content and therefore takes on the appearance of a delegalized, depoliticized, and ideologically neutral force. The fundamental issue with this separation, in the words of Ellen Wood (1995), is that : "Marxist [base and superstructure] theory has perpetuated the very ideological practices that Marx was attacking, those practices that confirmed to the bourgeoisie the naturalness and eternity of capitalist production relations." (21-22) The issue, in other words, is that separating the economy from politics

makes the latter appear as the repository of social relations while making the former seem like a natural, universal and unchanging fact of human life when in reality, neither economics nor politics exist outside of society or its constitutive relations.

Although Smith's political-economy predates the earliest base/superstructure theories by a considerable margin of time, there is little doubt that Smith's system of thought is part of what Ellen Wood calls, alongside Marx, the very 'bourgeois' economics that justify the naturalness of capitalist production relations. As a result, Smith's political-economy falls in the same trap as base/superstructure theories, albeit before those theories were originally developed: it subtly separates economics and politics into distinct conceptual categories, ascribes most of what Smith considers 'social activity' to the political category and in view of that, assumes that the foundation of economic activity is driven by a natural and universal human impulse steadily marching through all of history. The overarching layout and structure of Smith's political-economy, especially in WN, are heavily patterned after this trend: Smith separates his economic argument from his political argument into separate books in WN (books I and V specifically) to indicate that they are separate, albeit interrelated, topics. Each 'topic' is circumscribed by its corresponding function: the economic topic addresses the production of material wealth and its increases over time and history, whereas the political topic covers how best to recuperate and distribute part of that wealth for the betterment of society as a whole. By virtue of what it contains, the political topic immediately appears as the one in which human beings have greater leeway to make deliberate decisions and thus, appears as the place where social relations exist. It is also the place where Smith calls for government intervention.

By contrast, the economic topic seems comparatively empty of social relations. Increases in the output of material wealth are viewed as the product of technical improvements to the worker's dexterity, to the productive machinery, or both. At the same time, these improvements are seen as necessary and therefore, determined. It is inevitable, so the argument goes, that workers get better at producing the necessities of life over time as they focus their economic energies on producing those necessities. This makes economic progress seem not only like an inevitable force but more importantly, as a force written into the script of human nature. And on this point too, Smith falls into the trap: in chapter two of Book I, he argues that the secret principle behind the division of labour is driven by the "natural" propensity for humans to 'truck, barter and exchange' with one another. In this assessment of material progress, Smith frees himself from having to examine the relations that structure and organize economic production beyond what is strictly required, out of necessity, to account for technical

advancements. This is not to say, however, that because Smith theoretically relieves himself from this obligation, that he does so in practice: he openly acknowledges, for instance, the deplorable economic and conditions under which the ‘labouring poor’ are expected to work despite the fact that those conditions seriously challenge his narrative of steady technical progress. Without a broader theoretical frame to receive these challenges, Smith is left to contemplate them in isolation from one another. In that light, the best he can offer is a *moral* solution to what he sees as a fundamentally *technical* problem. Not only does this imply its own distinct set of contradictions which Smith must endeavour to solve, but those contradictions unfortunately belie the true heart of the issue: that he has emptied social and power relations from activities where they are constantly present. A less contradictory solution, then, would include the very social and power relations which Smith neglects in his view of the economy.

The inevitable outcome of Smith’s perspective is that he can only begin to detect the negative impact of unequal power relations on both the *politeia* and the deteriorating conditions of the ‘labouring poor’, as soon as he calls for the State to intervene. Before entering the ‘political’ realm, everything substantial already appears to be preordained by human nature, such that there are no major decisions for human beings to make deliberately—and certainly no social relations worthy of the name to be found anywhere. By following the rules of Smith’s logic to further his ideas on the power relations that both constitute the State and the society in which the State *intervenes*, this dissertation project is unfortunately corralled into the same trap. It only begins to seriously pay attention to power relations when the State is either discussed or involved. In that light, this project can claim some moderate success in having shown how *the State’s own political division of labour necessarily rests on unequal social/power relations wherein the citizen body is gradually expelled from meaningful avenues of public action*. At the same time, however, this project has not consistently succeeded in uncovering the social/power relations underlying Smith’s economic division of labour and thus, has failed to account for how State power connects with the burgeoning industrial power in ‘commercial societies’. Where I have, at times, tried to emphasize the connection between the depreciating economic conditions of workers and the fragmentation of society on Smith’s own terms, I have been blocked from proceeding further by his economic model. All that I could underscore in this context, is Smith’s empirical observations on the regrettable economic, social and political conditions in which the ‘labouring poor’ find themselves. But even those observations were profoundly limited by the frame in which Smith placed them. To underscore

the economic conditions of the ‘labouring poor’ without being able to properly acknowledge the social relations organizing and producing those economic conditions, is to remove the social and political agency of the ‘labouring poor’. In other words, it not only falsely turns them into passive victims of a system outside of their control but also, it removes their ability to bring about meaningful and positive material change to the world. In this sense, it reproduces, despite its best efforts, the very rationale used by the State as a justification to expel the ‘labouring poor’ from political decisions in the first place. In a dissertation project endeavouring to critique that rationale, using its general rubrics to discuss a particular class of people regrettably undermines the thrust, if not spirit, of the critique.

4.1.2. *On Smith’s Concept of Human Nature*

By exploring Smith’s ideas on human nature in greater depth throughout this project, I have come to believe that Smith alternates between two distinct meanings of “human nature”. The first meaning is predicated on the idea that human nature is fixed, immutable, timeless and fundamentally unchanged by the course of human history. We find this meaning in the second chapter of Book I of WN where he briefly discusses the human propensity to ‘truck, barter and exchange’ in these terms:

It [the propensity] is common to all men, and to be found in no other race of animals, which neither seem to know this nor any other species of contracts [...] Nobody ever saw a dog make a fair and deliberate exchange of one bone for another with another dog. Nobody ever saw one animal, by its gestures and natural cries signify to another, this is mine, that is yours; I am willing to give you this for that. (Smith: 1827; 6)

The categorical distinction Smith establishes between human beings and animals reinforces the idea that the propensity to ‘truck, barter and exchange’ is simply present among humans, that it has always been there and therefore, that it is a universal and timeless feature of our “nature”.

The second meaning often appears in Smith’s ‘political sociology’ and his analysis on the material development of societies throughout successive historical stages. This meaning is predicated on the idea that human nature changes or at the very least, can be inflected in different ways, according to the specific material conditions of a given society. Here, human nature is partially mutable, responsive to social change and emphasizes certain human behaviours over others to reflect the material opportunities and conditions available in society. In Smith’s historical analysis, he recognizes that as societies develop in certain ways, people’s relationship to the principles of government (i.e. to authority and their own self-interest) change

to reflect the overarching material conditions of those societies. Although Smith connects people's inclination to obey authority to a more "universal" and timeless feature of human nature in TMS (i.e. the propensity to sympathize) he continually insists that people's relationship to authority changes alongside the organization of society and its government in LJ. A society based on the principle of utility like a republic, for instance, will not activate people's inner feelings of deference towards authority to the same frequency or degree as a monarchy. In that, Smith is suggesting that there is a certain leeway within human nature; that although there might be certain features of it that persist throughout history, its *dominant mode of expression* changes with the times. To put matters differently, Smith is contending that a significant portion of human nature is dependent on the economic, social and political context in which it is expressed. Incidentally, changes in the expression of human nature throughout history are what allow Smith and his reader to focus on the historical specificity of each historical stage. It also allows Smith to outline how the crises of 'commercial societies' are rooted in their inability to properly address some of the social and political needs of the 'labouring poor' and *politeuma* more generally.

Over the course of this dissertation, I have attempted to focus on the second meaning of "human nature" while setting the first aside. This is because the first meaning directs critical attention away from any part of human behaviour which is labelled as "natural", "timeless" and categorically "universal". In Smith's political-economic theory, it has often been used (as the authors of the Old Chicago School tend to do) to make it seem as if economics are a "natural" part of human activity; as if the productive forces of society can be understood in purely technical terms; as if the development of these forces is inevitable over the course of human history; as if these forces are not substantially organized around "arbitrary" decisions shaped by specific social and power relations. The second meaning, by contrast, leaves significant leeway to reintroduce an analysis of power relations into the organization of society. Not only does it accomplish this feat by introducing an important degree of mutability in human nature but more specifically, it does so by recognizing that our ways of *expressing* "nature" depend more on our economic, social, political and historical context than it owes to "universal" and "timeless" features of our existence as a species. In this context, the power imbalances in different kinds of societies are attributable to the gap between forces and institutions attempting to control how we "ought to" express our nature, and those agents who are expected to express that nature in accordance with those controls.

I believe that the decision to focus on this second meaning of “human nature” is ultimately a good one, although the expression itself continues to be misleading. That said, the decision is not without its disadvantages. Using the expression “human nature” to denote how human beings tend to change the way they express themselves according to available material, economic, social and political conditions, is ultimately confusing. For this dissertation project, it is an unavoidable confusion because Smith does not clearly differentiate between the previous meaning of “human nature” and the alternative: that it is ultimately fixed, immutable and timeless. Since this dissertation exclusively focuses on Smith’s body of work, this confusion has forced me to devote critical attention to differentiating between both accounts of human nature, in order to specify that I would be proceeding with one to the exclusion of the other. By setting considerable time aside to explain why I rejected the fixed, immutable and timeless interpretation of human nature, I was not always left with enough leeway to address how the dominant ways the ‘labouring poor’ and *politeuma* express themselves in ‘commercial societies’ are rooted in their basic social and political needs going unmet. Understanding the social and political crises in Smith’s intellectual forecast as the result of unmet needs would have reinforced the connection between the economy and politics, i.e. between wealth production and social reproduction. It would have further developed the idea that the social and political crises Smith discusses in Book V of WN begin with problems in the economy and the organization of labour—an insight which would have afforded us with yet another opportunity to further examine the constitutive social and power relations of the division of labour. Unfortunately, following Smith in his reflections on “human nature” meant that I had to stop short of this connection. In a general sense, it meant that I was unable to establish a consistent connection between Smith’s view of political alienation and economic alienation more generally (and this, despite the fact that Smith himself appears to tacitly suggest the connection at certain critical junctures in his political-economy).

4.2. *On Avenues for Further Research*

Earlier in the conclusion, I claimed that the social and political crises that occupy Smith’s attention are best summarized as problems of social and political alienation. Afterwards, I revisited the major caveats and tripping points of this dissertation and suggested, in that context, that the ‘regional’ separation between economics and politics in Smith’s body of thought artificially restricts his (and by extension my) diagnosis of those crises. Specifically, it confines Smith’s attention by restricting his exploration of alienation to the social and political spheres. This is because these spheres are treated as artificial and therefore, subject to

human decisions shaping and shaped by power relations. By contrast, the economic sphere is treated as if it were sheltered from the problem of alienation because it is “natural” and primarily organized by “innate” human propensities instead of being rooted in power and “arbitrary” human decisions.

What this ‘regional’ separation of economics and politics misses, is that the social and political isolation experienced by working citizens in ‘commercial societies’ is, according to Smith himself, already predicated on their economic isolation. Smith establishes the roots of ignorance, “stupidity”, etc. among the ‘labouring poor’ as a function of their specialization and growing disconnect from the extra-economic aspects of social life. In a larger sense, this suggests that the social and political crises endemic to ‘commercial societies’ are rooted in *economic* alienation just as much as *social* and *political* alienation. This does not mean that Smith’s readers should return to a purely economic interpretation of his division of labour. Rather, it suggests that the organization of labour and of productive forces in society are the product of human decisions embedded in specific relations of power. Human nature understood as a fixed and timeless human essence, has little to do with it. It suggests, in other words, that there is something inherently *political* to the way that activities of production are organized in society—deciding who is assigned to menial and repetitive labour, who is exempt from it and why, are but some questions that underscore the *political* elements of the division of labour. And that is precisely where the problems of alienation extend to the economic realm as well. Just as political alienation means being excluded from the major decisions affecting the growth and stability of the *politeia*, so too does economic alienation means being excluded from decisions affecting the organization of work and production. In both cases, alienation tends to signify a loss of power. In both cases, that loss of power is accompanied by a similar psychological effect: a general sense of estrangement or belief that the things over which we lose power are foreign and unknown to our lives.

The following avenues for further research extend the conversation on alienation from the *social* and *political* realms to the *economic* one. They represent an attempt to highlight the connection between Smith’s “economic” theory and his ‘political sociology’ in order to demonstrate how the activities of wealth-production and the major social and political crises of ‘commercial societies’ go hand in hand. It is an attempt, in other words, to define alienation neither as an exclusively economic or political problem, but as one permeating throughout ‘commercial societies’ as a whole. In this dissertation, I have focused on connecting the social and political dimensions of alienation back to their *economic* component by showing how the

‘labouring poor’ begin to experience estrangement not with politics, but with the mindless repetition of a few menial economic tasks. I have also attempted to make the inverse connection by proposing to explore the *social* and *political* components of economic alienation. But here, I encountered more difficulties because Smith explores the problem of alienation more openly in the social and political realms than he does in the economic one. Further research, then, would need to examine the economic components of alienation in Smith’s political-economy more closely. To that effect, the analysis would need to continue critiquing the ‘regional’ separation of economics and politics in Smith’s body of work by emphasizing the *social* and *political* components of economics which Smith takes for granted in his idea of “human nature”.

In what follows, I will begin to outline tentative connections between economic alienation on the one hand, and the division of labour, class and the market on the other as cornerstones of Smith’s economic theory. I will conclude by providing additional commentary for the utility and authority principles of government, as these principles are indicative of alienation in a larger (non-economic) sense.

4.2.1. *The Division of Labour and Alienation*

Further research on the alienation problem in Smith’s body of work would need to begin by addressing the strong connection between Smith’s assessment of the negative effects of the division of labour and Karl Marx’s concept of alienation. For anyone who is familiar with both Adam Smith and Karl Marx, the connection can appear at times to leap from the page: between Smith’s concern for the moral, social, intellectual and civic deterioration of the labouring poor under the division of labour, and Marx’s exposition of the worker who is estranged from the product and process of her labour in his *Economic and Philosophic Manuscripts* (1844), there seems to be a rich and promising overlap—especially at first glance. As a testament to this overlap, a number of scholars²³ have commented on the connection between Smith and Marx to suggest, as Robert Lamb (1973) writes, that: “Adam Smith's description of the various deleterious effects of detail factory labour upon workers [is] an important predecessor to Karl Marx's concept of alienation.” (275) Unfortunately, this connection is mired in enough of a controversy among the secondary literature that tracing the connection between Smith and

²³ Among those scholars and their works, I count the following: Fritz Pappenheimi’s (1959) *The Alienation of Modern Man*; Ronald L. Meek’s (1967) “The Scottish contribution to Marxist sociology” in *Economics and Ideology and Other Essays: Studies in the Development of Economic Thought*; and William F. Campbell’s (1967) “Adam Smith's theory of justice, prudence and benevolence”, in *American Economic Review*, vol. 57, no. 2.

Marx on the topic of alienation would require a full dissertation in and of itself—one that would have the unenviable and painstaking tasks of meticulously outlining the roots of the controversy, and of proposing a way to move beyond it. The goal of this dissertation is not to propose a solution to this controversy. But if we are to examine the connection between the negative social effects of the division of labour and alienation as an avenue for further research, I will at least have to address the controversy in greater detail here.

4.2.1.1. *The Alienation Controversy*

For the purposes of this overview, the controversy surrounding Smith and Marx on the topic of alienation is best encapsulated by the exchange between E.G. West (1969) and Robert Lamb (1973) in “The Political Economy of Alienation” and “Adam Smith’s Concept of Alienation”. In “The Political Economy of Alienation”, West attempts a comprehensive analysis of alienation: first in Marx’s thought and then in Smith’s. In Marx, he finds three core aspects of alienation: powerlessness, isolation, and self-estrangement. When West finally turns his attention to Smith, he contends that: “out of the three aspects of alienation so far outlined, only the third (self-estrangement) could have possibly been intended in Smith’s writings.” (West: 1969; 7) In other words, West concludes that Smith, unlike Marx, did not think that workers were alienated in terms of powerlessness or isolation. The most that could be said, in conjunction with Smith’s famous ‘alienation passage’²⁴ in WN, is that workers in ‘commercial societies’ experience a kind of ‘self-estrangement’, which effectively amounts to becoming:

[...] alienated from [one’s] ‘inner self’, experiencing ‘a kind of depersonalised detachment rather than an immediate involvement or engrossment in the job tasks’. Translated into Marxian terms the establishment of capitalism causes the work process to lose any semblance of individually purposeful activity. Workers become ‘dehumanized’. Labour ‘sustains their life only while stunting it’. (Ibid; 5)

As a direct response to West, Lamb (1973) argues in *Adam Smith’s Concept of Alienation*, that “Smith believed workers in some ways were self-estranged, powerless, and isolated.” (275) Lamb further contends that “by keeping Smith’s integrated system of moral philosophy in mind and the historic conditions of labourers in the various industries he

²⁴ By ‘alienation passage’, West is explicitly referring to the passage in Book V of WN where Smith outlines the reasons why publicly-funded education becomes necessary in commercial societies. It is the same passage which I cite at length in my introduction, and also the one that recurs throughout this dissertation.

describes” (Ibid; 275), he would be able to convincingly make his case. The crux of Lamb’s arguments surface in two critical passages:

In his effort to compartmentalize the various aspects of alienation into 'powerlessness', 'isolation', and 'self-estrangement', West has lost sight of their interconnection in the total system of Smith's moral theory. His system of moral sentiments dictated that men gained their social values from society and if they became self-estranged (as West is willing to concede), then according to Smith's interconnected moral system, they become automatically isolated from others. West in a number of passages alluding to the connection between Smith's moral and economic writings appears to have misunderstood their interrelation entirely. For example, West claims that 'the whole process (of detail factory labour) was thus a coherent, positive, and constructive social process,' whereas Smith [...] says that detail factory labour 'renders him (a man) not only incapable of relishing or bearing a part in any rational conversation, but of conceiving any generous, noble or tender sentiment, and consequently of forming any just judgment concerning many even of the ordinary duties of private life [...] Men became isolated by the very fact of their self-estrangement. For in Smith's moral theory, one is only social to the extent that one is capable of sympathy. Destroy his faculties for sympathy and the detail worker is by Smith's own definition isolated. (Ibid; 281-2)

and

Unlike Marx, Smith only implicitly questioned why labour, although it was man's 'fundamental property', only had a value for labourers when it was being sacrificed for actual property goods. He never became as explicit as Marx. Nevertheless, Smith recognized that the labourer was effectively powerless in modern contracts and factory conditions to prevent himself from being a commodity. Thus Smith's ordinary labourer who was already self-estranged by his narrow detail factory work and becoming increasingly isolated because of his inability to sympathize, comprehend, or communicate with his fellows was made unable to escape these other forms of alienation essentially because he was powerless in most contracts. Therefore, Smith anticipated all three types of alienation-self-estrangement, isolation, and powerlessness-identified by Marx in his early works. (Ibid; 285)

Lamb is rather clear in these passages. By compartmentalizing the three aspects of alienation he identifies, West disregards their interrelation and more specifically, how their interrelation finds some degree of textual evidence in Smith’s moral philosophy and larger body of work. While Lamb concedes that Smith does not go as far as Marx in developing the ‘isolation’ and ‘powerlessness’ aspects of alienation, it would nevertheless be wrong to conclude that they are non-existent or altogether negligible parts of Smith’s ideas. Smith does explore alienation; and

even if Lamb were to concede that he privileges one aspect of it over the others, he would still argue that Smith acknowledges its other aspects in his body of work, albeit to varying degrees, since they all go hand in hand. With that argument, Lamb effectively rests his case.

The exchange between West and Lamb does not end there. West (1975) subsequently writes a rejoinder to Lamb's article in order to highlight what he considers to be its greatest problem. "Lamb has argued" West writes, "that in *The Wealth of Nations* Adam Smith employed two conflicting methods." (West: 1975; 295) On the one hand, Smith developed ideal models of society through abstraction and conjecture, including one of an ideally working capitalist system. On the other hand, he relied on simple and empirical descriptions of the real world which acknowledge the basic flaws of early capitalist societies: alienation, wage exploitation, class conflict, inequality, and poverty. According to West's interpretation, it is the second method that makes Lamb believe that Smith qualifies as a precursor of marxian socialist criticism. (Ibid; 295) From this vantage point, West highlights what he views as the problem:

I contend that there is no such easy separation or conflict between theory and observation in Smith. Moreover Lamb himself overlooks the theory behind his own empirical observations. The clearest example is in Lamb's attempt to use the word 'alienation' as an unambiguous social description. Description requires factual statements; and facts require definition. Because Lamb fails to probe the deepest definitions he remains unaware that his own position is conjectural. Alienation means a deviation from some 'true' path or 'human fulfilment'. The concept therefore calls for each writer's view, or theory, of *the state of not being alienated*. To represent the 'norm' we need a phrase such as 'normal alienation' or 'neutral alienation'. But even this must be a relative term comparing 'alienation' with what I shall call the 'non-alienated state'. (Ibid; 295)

The basic foundation of the argument is that Lamb cannot separate Smith's theory from his practical observations as easily as he does in his article without doing some degree of violence to Smith's general arguments. After all, there are many instances in which Smith's theory frames his empirical observations. In this sense, I interpret West's argument to mean that Smith's theory is a guide that more or less directs his attention. As such, it determines which empirical observations are more or less likely to view as important. Using this insight as a springboard, West then challenges Lamb's arguments by presenting a number of examples where Smith's observations on the basic flaws of early capitalist societies give way to (and reconcile with) his general endorsement of the productive and other advantages unlocked by commercial societies. Here, West reasserts that for Smith, the two go hand in hand: to separate

Smith's empirical observations from the theoretical model he uses to evaluate them does more to betray Lamb's own theoretical outlook than it does to clarify Smith's actual positions.

I have chosen to encapsulate the 'alienation controversy' in the secondary literature on Adam Smith through the exchange between West and Lamb because this exchange, like the controversy it summarizes, misses the point. This is to say that it misses the best reason why it would be interesting to examine alienation from the standpoint of Smith's own body of ideas in the first place. The reason the exchange between West and Lamb misses this point, is because both authors start their arguments from the same questionable position: West begins by defining alienation according to *Marx* and then retroactively applies this definition to Smith in order to determine whether or not it conforms to his larger body of ideas. In that, West necessarily operates under the unchecked assumption that alienation is a fundamentally *marxian* concept. He certainly has good reasons to make this assumption: Marx provides the first explicit and comprehensive theory of alienation in the Western philosophical canon with his *Economic and Philosophic Manuscripts*. As part of these manuscripts, he systematically and decisively shifts the meaning of 'alienation' from 'transferring ownership (read: property rights) of one thing from one group to another' to 'conditions of isolation and estrangement that obstruct the path of true human fulfillment'. No major thinker before Marx had so radically altered the definition of 'alienation' and so, it certainly appears to be a good place to start examining the topic. But the problem with this unchecked assumption is not that it lacks a good reasons but rather, that it reveals that West's article is *begging the question*. By developing his argument in a way that retroactively applies Marx's definition of alienation to Smith, West is necessarily implying that alienation is a *marxian* concept by definition, which preemptively leads to the conclusion that it does not properly apply to pre-marxist thinkers like Smith. Here, the conclusion is assumed before the proof and so, the proof forces the conclusion before it is ever truly examined.

Despite his compelling insights on the interrelation between the 'powerlessness', 'isolation' and 'self-estrangement' aspects of alienation, Lamb falls prey to the same problem because he contests West's conclusions instead of challenging his premise. The assumption that alienation is a *marxian* concept at its core which either should or should not be retroactively applied to Smith, remains unchallenged and continues to *beg the question* in the exchange. The result is that the conversation between West and Lamb fixates, needlessly in my opinion, on whether it is correct to qualify Smith as an appropriate precursor to 'marxian socialist criticism'.

Once so much attention has been invested in finding the correct qualification for Smith, it becomes difficult, if not impossible, to reverse the momentum of the exchange by correctly stating that Smith simply detected a problem that Marx later conceptualized—the conversation, much like the point it misses, is too far gone. Unfortunately, this also means that the more interesting questions are dropped from the exchange: is there enough material in Smith’s body of work to argue that he did seriously contend with the problem of alienation, even if he did not explicitly conceptualize it? Is there enough material to develop a Smithian concept of alienation? If so, how does it compare to other definitions or theories on the same topic? These questions are more interesting not because it presupposes that Smith has a meaningful contribution to make on this topic, but because they begin from the premise that alienation is a rich philosophical problem with moral and political implications (not just economic and sociological ones), instead of a specific concept with limited relevance beyond the marxian tradition of thought.

The petty fixation on the exact nature of Smith’s qualifications and more specifically, whether it is appropriate to categorize him as a precursor of ‘marxian socialist criticism’, is not limited to the exchange between West and Lamb. It is the controversy. And so long as marxists and non-marxists alike cling on to the belief that alienation is fundamentally a *marxian* concept, scholarly exchanges between these groups will inevitably gravitate towards Smith’s credentials instead of a serious inquiry on the meaning and nature of alienation²⁵. If we step away from this needless bickering to explore what alienation would actually look like for Adam Smith, a different image comes into focus. While the goal of this conclusion is not to discuss this image

²⁵ Perhaps the earliest and most famous author to address the controversy is Donald Winch (1978) in his seminal work: *Adam Smith’s Politics*. Although Winch does not explicitly focus on the alienation controversy *per se*, he does explicitly address a recurring problem in the secondary literature on Smith which eventually gives way to it: that Smith’s writings on political and economic questions have too often been viewed through what he calls a “liberal capitalist perspective”. The major problem with this perspective is that it applies nineteenth and twentieth century terms to understand an author whose works are written in the second-half of the eighteenth century. Thus, many portions of the secondary literature fail to engage Smith’s work for what it actually is, and instead engages with in relation to the dominant ideas of classical economy. Too often, the result of this failure is that Smith’s political ideas are ranked among the English tradition of liberal individualism beginning with Hobbes and Locke. And just as the notion of a “state of nature” is integral to the Hobbesian and Lockean political systems, Smith’s account of natural liberty is forcefully placed at the centre of his thought to play a comparable role. As such, the liberal capitalist perspective narrows Smith’s philosophical focus to a system of liberty wherein individuals have natural rights to pursue selfish ends of a primarily economic (and therefore pre-political) character (Winch: 1978; 13). On that basis, Smith is believed to advocate for a system of political rule reflecting the economic character of liberty; one characterized by “[...] a distinctive set of economic or property relationships—mediated by impersonal market mechanisms [...]” (Ibid; 13-4) Winch continues the argument and extends the “liberal-capitalist” problem to the dominant marxist perspective on Smith: “[w]ith a stronger admixture of utilitarianism of the kind associated with the names of Jeremy Bentham and James Mill, the tradition [of liberal individualism of which Smith is believed to be a part] leads on to John Stuart Mill. Without this component, but with a more historical one added, it leads to Karl Marx.” (Ibid; 14)

and or multifaceted implications at length²⁶, I would nevertheless like to suggest something about it that connects Smith's ideas with this dissertation: so far as we can claim that Smith's intellectual project is concerned with creating favourable conditions for human beings to experience true fulfillment, he defines that fulfillment not merely as the condition of accruing a greater quality and quantity of material possessions, but in being able to live with no more illusions about oneself and the world than what is strictly impossible to avoid. In this context, Smith may have viewed alienation as a problem to overcome in order to realize the conditions of 'natural liberty' as defined in WN. But even as a means to that end, the goal behind the problem remains to disentangle the mystifying forces that needlessly separate appearance from reality on the social theatre and moreover, that artificially separate individuals or 'particular orders of society' from the *constitution* (or structure) of society as a whole. When Smith commits to his description of the negative social effects of the division of labour, he commits to exploring the material conditions responsible for that separation which begin, according to him, with the worker being confined to an ever-narrower appearance of society; an appearance ever-more divorced from the substance of social reality the narrower it becomes. Smith commits to examine those conditions not just as a timeless and therefore universal philosophical problem, but as a *historically specific one*—as one that is shaped by the historically specific organization of society's productive forces.

If we examine Smith's relationship to the problem of alienation from this perspective, there is a rich opportunity to draw an extended connection between him and Marx regardless of whether it is appropriate or not to consider him as a precursor to marxian socialist criticism. This extended connection, as it were, would consist in identifying the other major sources of alienation in commercial or capitalist societies besides the division of labour, to examine how they affect the experience of political subjection and authority. Drawing on James Rinehart's

²⁶ On this topic, Dionysios Drosos (1996) does an admirable job of gathering the fundamental characteristics of Smith's concept of alienation in his *Alienation and Market Society*. He identifies four in total: "a. Alienation, as the fragmentation of market society into self-interested individuals, is not an evil in itself; on the contrary, from this point of view, 'alienation' is conceived as a condition of personal freedom and independency. b. Nevertheless, alienation is a problem, since it transgresses the mean of public-spirited self-love. c. Such a transgression tends to be more systematic insofar as the social division of labour gets deeper. That is, when alienation affects, not only the labouring classes, but all the members of commercial society. Alienation is conceived not only as a problem caused by the degradation of a particular social class but as a problem to the coherence of market society. d. The forces that counter-balance the tendencies ensuing to social disintegration are located in civil society, but their actualisation necessitate the 'wise' concern, and interference of the public authority." (Drosos: 1996; 327) From there, Drosos supports his argument by outlining how Smith organically detects the problem of alienation throughout his body of work. He subsequently contrasts Smith's detection of the alienation problem to Marx's later conceptualization of it. In my estimation, this is the kind of work that is needed to surpass the 'alienation controversy' in the first place and more importantly, to avoid *begging the question* when addressing the legacy of Smith's body of work.

(1987) *The Tyranny of Work*, we can single out two other major sources of alienated labour in commercial or capitalist societies besides a sophisticated division of labour: the “concentration of the means of production in the hands of a small but dominant class” and “markets in land, labour, and commodities”. (19) Insofar as these sources contribute to the problem of alienation and separate the worker/citizen’s individual condition from that of society as a whole, they affect the composition of political subjection and the nature of authority in commercial or capitalist societies. In this sense, they open new avenues to extend this research.

4.2.2. *Class as Another Source of Alienation*

In the introduction, I argued that the driving force of material progress in commercial societies is also what generates extreme conditions concentrating at different poles of society (wealth and poverty, power and powerlessness, etc.). I used this point to show that Smith advocated for government intervention in specific circumstances to curb the worst excesses of ‘commercial societies’. In so doing, I proved that Smith is not simply an enthusiastic advocate of free-market capitalism. Instead, he can be interpreted as a theorist who is engaged in its critique. This point also led me to argue that the class divide between rich and poor, itself a symptom of the growing social extremes in ‘commercial societies’, is strongly connected to the other social disadvantages of the division of labour that Smith identifies in his ‘alienation passage’. For the labouring poor specifically, those disadvantages mean that their material contributions to society are largely limited to repeating the same few repetitive economic tasks for the better part of their lives. As such, they are left with nothing substantial to contribute to public life beyond their subjection. The underside of this argument, as I note in the introduction, is that public life becomes accessible only to the wealthy since they are the only class with the means to avoid the most harmful effects of the division of labour and thus, to cultivate all the necessary social, intellectual and civic virtues required to meaningfully partake in political life. The class divide between rich and poor here serves as a reminder that the more ‘commercial societies’ are torn apart between extremes conditions concentrating at opposite poles of society, the more public life becomes tethered to one pole (and its corresponding class), to the general exclusion of the other. Where political life in ‘commercial societies’ loses its public character, it becomes a mirror for the interests, judgements, and sentiments of the wealthy.

Regrettably, I was never able to develop this point any further in the dissertation and save for a few moments in which I briefly reiterate the point again, I never truly revisited it. This is not because I simply forgot to address the point but rather, because the layout of my

research left little room for me to develop it any further. By focusing my attention on the connection between the economic and political divisions of labour in chapter one, I dedicated most of my attention to arguing that the State is not a neutral party when Smith calls for its intervention in social affairs. To that end, I was more concerned with demonstrating how the State develops its own incentives in response to the material progress of society. That way, I could show not only how these incentives are separate from the interests of the population as a whole but also, how the State subsequently becomes a *politically interested* party when intervening to protect society from the negative effects of the division of labour. Since my attention was primarily directed towards the State, I was never able to circle back to the relationship between class one the one hand, and its negative social effects on the other. This left a number of important theoretical gaps unattended in my dissertation, like the specific nature of the relationship between the wealthy, politics, and the State.

If we were to briefly investigate this relationship here with Smith as our primary guide, we would quickly come across a revealing contradiction: in ‘commercial societies’, growing social and economic disparities incentivize the wealthy to posture as the only section of the *politeuma* concerned with the public good, although their real political agenda consists in securing factional power and private advantage for themselves. (Evensky: 2005; 111) In other words, the wealthy are incentivized to pretend like they are the only ones capable of acting in the public good, but the truth is that they are “in it” for themselves. Smith spares no harsh words to explain the real political agenda of the wealthy, which he tends to identify to merchants and manufacturers:

The proposal of a new law or regulation of commerce which comes from [merchants and manufacturers], ought always to be listened to with great precaution, and ought never to be adopted till after having been long and carefully examined, not only with the most scrupulous, but with the most suspicious attention. It comes from an order of men [...] who have generally an interest to deceive and even to oppress the public and who accordingly have, upon many occasions, both deceived and oppressed it. (Smith: 1827; 107)

There are a number of other passages throughout Smith’s body of work that convey the same message. In fact, the message appears quite clearly as the backbone of Smith’s critique of mercantilism in Book IV which rests on the idea that eighteenth-century merchants “[...] inherited a philosophy of political economy from Locke and others, but their purpose was not philosophical—it was profit.” (Evensky: 2005; 108) In other words, the merchant class is not particularly interested in understanding political economy for its own sake. Instead, it is

interested in using sophistry to make a case for its position. The merchant class is particularly persuasive at the time of Smith's writing because it holds more information on trading policy than government officials and other actors capable of influencing policy decisions. Merchants could thus leverage their authority and capitalize on the ignorance of policymakers to direct policy in favour of their private interests. In doing so, merchants could also conceal their own ignorance on trade policy matters, and confound their private interests for those of the general public:

[...] by merchants to parliaments, and to the councils of princes, to nobles, and to country gentlemen; by those who were supposed to understand trade, to those who were conscious to themselves that they knew nothing on the matter. That foreign trade enriched the country, experience demonstrated to the nobles and country gentlemen, as well as to the merchants; but how, or in what manner none of them knew very well. The merchants knew perfectly in what manner it enriched themselves. It was their business to know it. But to know in what manner it enriched the country, was no part of their business. This subject never came into their consideration, but when they had occasion to apply their country for some change in the laws relating to foreign trade. It then became necessary to say something about the beneficial effects of foreign trade, and the manner in which those effects were obstructed by the laws as they then stood. To the judges who were to decide the business, it appeared a most satisfactory account of the matter. (Smith: 1827; 175)

In this light, Smith's suspicion of merchants reveals a powerful argument against the dangers of political lobbying and at the same time, further elucidates the relationship between the wealthy, politics and the State: the wealthy are in a position to pretend like they are the only legitimate political class, because the economic division of labour removes those who work to make a living from the halls of public life and confines them to their manufactures, offices, or to the factory floor instead. As the majority of the *politeuma* is removed from the public sphere, the wealthy become the only class with the means to consistently translate their private advantage into political power. Before long, their interests, sentiments, and judgements, become interchangeable with the public sphere not because the wealthy are after the public good, but because they are the only class who can afford to leverage their private influence into policy decisions on a regular basis. This not only means that the wealthy have greater leverage than the 'labouring poor' to influence the State apparatus according to their interests but also, that the wealthy exert much greater control over the processes that establish how, why and when the *politeuma* should subject to the State. In this sense, the wealthy exert a disproportionate level of control on the kind of order in which the State should intervene, or the kind of social

cohesion it should protect. They are largely free, then, to direct the State's attention away from the mechanisms they use to pursue their private advantage and thus, are free to gather more factional power than they would otherwise under a truly public sphere²⁷.

The excessive concentration of political power among the wealthy classes in 'commercial societies' implies powerlessness at the opposite end of society (i.e. among the 'labouring poor'). For both the wealthy and the 'labouring poor', their proximity to political power is determined by their proximity to the division of labour—the further away from the division of labour, the easier it is to translate one's personal means into political power. This means that the division of labour itself becomes a political tool in 'commercial societies', since it determines who has access to the public sphere, and to what degree. It means, in turn, that whoever owns and thus controls the organization of labour in 'commercial societies' also controls the means to acquire political power. In 'commercial societies' specifically, the wealthy few own the majority of the means of production and as such, control the degree of access their workers have to the public sphere by controlling the extent to which labour is organized, divided and specialized. The more divided and specialized labour is, the less time the 'labouring poor' have to develop both their private and public virtues and thus, to exercise political power meaningfully. This is to the benefit of the wealthier classes, who could not escape the harmful effects of the division of labour themselves were it not for the poor who do not have the same opportunity. It is to the benefit of the wealthy, then, to maintain working conditions that allow them to keep their distance from the division of labour by denying the same opportunity to those who do not already have it.

Here, there is a very strong possibility of connecting Smith and Marx in order to specifically outline how the concentration of the means of production in the hands of a small, wealthy class, politicizes the division of labour. After all, as Rinehart notes: “[i]f relatively few individuals control the productive apparatus, they will operate it to their advantage. The majority of people, who will be obliged to work for the few, will be excluded from determining the products and the labour process.” (Ibid; 19) By the same token, we can extend the analysis to claim that by owning and controlling the products and the labour-process, the wealthy also

²⁷ At this juncture, I would like to highlight that Ellen Wood's (1999) *The Retreat From Class* may very well be one of the most important works in the 'marxian socialist criticism' cannon to bolster the connection between Smith and Marx on class and political alienation. Although the work itself focuses on post-Soviet academic trends as its overarching context, its attempt to re-establish the complex network of relationships between class, ideology and politics is a promising avenue to rethink the potential linkages between Smith and Marx on the class component of political alienation.

control the amount of attention workers must pay to perform their specific job operations in the workplace. In turn, this determines the amount of time they have to form, as Smith would write, “good” judgements on ‘the ordinary duties of their private [and public] lives’. Here, Smith’s concern with the moral and political implications of what Marx would call estrangement, pushes Marx’s theory on alienated labour in his *Economic and Philosophical Manuscripts* to expand its implications beyond the workplace and onto the public sphere more generally. In that, Smith’s detects the problem of alienation in a way that reintroduces its political implications beyond the workplace—that go beyond the idea that owners of the means of production have power over their workers because they control the product and process of labour. What is more, the capacity to control and structure the labour regime of the worker, indicates that the wealthy also control the worker’s leisure and by extension, her capacity to meaningfully partake in the public sphere.

In order for this philosophical conversation between Smith and Marx to take place in good faith, it would be paramount to establish a connection between Smith’s famous ‘alienation passage’ in WN and Marx’s section on alienated labour in his first of three 1844 manuscripts. But in light of the arguments raised in this section, it would also be absolutely necessary to entertain a conversation between Smith’s concept of class and its marxian counterpart, in order to connect that conversation with the earlier connection on alienation. The marxian concept of class notwithstanding, I would like to highlight where Smith detects the issue of class in WN to facilitate the conversation. In sum, Smith extends his suspicion of merchants and manufacturers as far as a few embryonic reflections on class: he analyzes the conflict of interests and class struggles opposing “capitalists” and workers (Smith: 1827; I.8), explains how “capitalists” are fundamentally motivated by profit instead of the general factors contributing to the rise of national wealth (*Ibid*; II.5), and identifies three social groups (landowners, workers and “capitalists”) with their own diverging class interests, that enter into competition with one another to materialize those interests—sometimes to the detriment of the other groups. (*Ibid*; I.11)

4.2.3. *The Market as Another Source of Alienation*

This dissertation uses the division of labour as a starting point to examine its relationship with political subjection and authority. One of the many difficulties with this approach is that it isolates the division of labour as a concept from the other economic and social forces shaping it in ‘commercial societies’. And as a result, it leaves no room to explore

how and why the division of labour is continually finding ways to become more sophisticated in ‘commercial societies’. In other words, it makes the division of labour appear like a force of nature instead of a social force—we do not know how or why it continues to find improvements that make the labour regime more efficient, but we know that it does. And if we know that it does without knowing how or why, then we are more likely to present it as if it were some kind of mystical force escaping our control or alternatively, as a mysterious function of the innate subconscious drives of the human species.

Although there is a very tenuous and altogether questionable way to argue that the latter of the two claims is how Smith intended to define human nature in chapter two of Book I, a closer reading of WN suggests otherwise: in chapter three of the same book, Smith argues, quite soundly, that the extent of the division of labour is determined by the extent of the market. For the purposes of this section, this means that the market plays a strong hand in determining the organization of labour, i.e. how much it can be divided and specialized. And since it is this organization of labour that, according to Smith, confines the worker’s attention and obstructs her capacity to develop social, intellectual, and civic virtues, it further means that the worker’s economic, social and political “degradation” is strongly correlated to the pressures exerted on labour by market demand. The idea is fairly simple at first glance: when market demand is big, it pressures workplaces to organize their labour more efficiently by dividing and specializing it in turn. This further confines the worker to the repetition of mindless and repetitive job tasks that ultimately spoil her capacity to accomplish greater things. As such, it furthers the worker’s estrangement from politics at the same time as it restricts her contributions to the material progress of society. As the worker’s job and economic routines are further regimented by market demand, her decreasing leisure-time becomes an indication of her decreased capacity to partake in public life. It becomes a sign, in other words, that market forces pressure her to expedite her participation in the political process more and more, until she has little left to offer the public sphere but her automated subjection.

There is another promising connection to make with Marx here; and it lies in the concept of *socially necessary labour-time* as it is developed in *Capital I*. To briefly explain, socially necessary labour-time measures the average amount of time required to make a single unit of any given product sold on the marketplace. For example, let us establish that the socially necessary labour-time of a single pin on the market is exactly *one minute*. This means that on average, it takes *one minute* to make an average pin which is sold on the marketplace. In a ‘commercial’ or capitalist economy, the socially necessary labour-time of that one pin, is not

established by the worker who makes it. This is to say that if the worker who makes the pin takes longer than one minute to make it, she cannot sell the pin on the market for a higher price because it took her longer to make it. Rather, she must sell it at the same price as another pin that took exactly one minute to make. This is precisely what the term “socially” connotes in the expression *socially necessary labour time*: it sheds light on the fact that for any one pin to be sold on the market, it must be compared to all of the other pins made by all of the other companies involved in the pin-making business. (Marx: 1965; I.iii.1). Ultimately, it is this market comparison that disciplines the worker to be as efficient as possible in her job. If the worker is hired by a company that takes longer than one minute on average (i.e. more time than what is socially necessary) to make pins, that company will be forced to sell their pins for cheaper than their actual labour costs, and it will operate at a loss as a result. If it does not organize its labour more efficiently, it will therefore go bankrupt. By contrast, a company that makes pins faster than the socially necessary average is rewarded for its productive efficiency by finding it easier to sell its pins on the market.

Here, I simply want to point out that market pressures for greater productive efficiency disciplines the worker’s routine in a way that further confines her attention to the limited and menial operations she must perform to make a living. And as such, these market pressures work to further undermine the required leisure-time for individual workers to develop their social, intellectual, and civic capacities. In this sense too, the market becomes a political tool which helps to determine who has access to the halls of public life, and for how long.

4.2.4. *Alienation and the Utility Principle of Government*

When I originally addressed the issue of political subjection, I began by looking at the utility principle of government. I suggested that by rooting themselves in commerce, the type of society Smith describes in his time favours instrumental social relationships and therefore, establishes a system of order based on utility more than authority. Ultimately, the idea that a system of order operates predominantly on utility simply means that people consent to obey the dominant structures of power (be they economic, political, or otherwise) because it appears beneficial and in their interest to do so. The current ubiquity of the free-market system not only supports this general idea, but it shows that nothing substantial has changed since Smith’s time in this specific respect.

By focusing on the social disadvantages on the division of labour, however, I was able to add a caveat to Smith’s utility principle: because ‘commercial societies’ operate by confining

the majority of its workers/citizens to ever-more specialized forms of labour, these societies fragment the individual worker's life from social life as a whole to an unprecedented degree. The result is that the individual worker loses the capacity to evaluate her interests beyond the immediate and familiar confines of her work/personal life. And as such, the individual worker loses the capacity to distinguish her *actual* interests from their *appearance*. In a society where the majority of workers are confined to ever-more specialized forms of labour, this problem not only becomes a chronic feature of social life but more importantly, a sign that society's entire system of order is rooted on the disparity between people's actual interests and their appearance.

Everything I have outlined about class and market pressures in the previous subsections only serve to bolster this argument by further demonstrating how little control the 'labouring poor' have in deciding what is useful to them in 'commercial' or capitalist societies. The less control they have over what is useful to them, the less their subjection out of "utility" is actually beneficial. In a social climate where the wealthy are the only class who consistently avoid the deleterious social effects of the division of labour, the "benefits" of political subjection are already filtered through the particular interests, judgements and sentiments of the rich whom, as Smith writes: "have generally an interest to deceive and even to oppress the public and who accordingly have, upon many occasions, both deceived and oppressed it. (Smith: 1827; 107)

We can make a similar argument to account for the impact of market pressures on people's capacity to participate in public life: when we consider those pressures alongside the concept of socially necessary labour-time, it becomes painstakingly clear that the individual's work routine is not at all structured to cater to her self-interest as a labourer, but instead meets the aggregate interests of the market compounded into a statistical average. There is no clear benefit to the individual worker for the market to set the pace of her job operations in this way, since market demand does not explicitly consider the specifics of her working conditions or situation. Similarly, the power of the market to discipline labour is not in the public interest either for although it can produce useful benefits by driving the price of commodities down, labour is still performed by the majority of the population; and if the conditions of that labour are pressured by market forces to become ever more efficient, and that efficiency is "acquired at the expense of [the worker's] intellectual, social, and martial virtues" (Ibid; 327), it suggests that market pressures tend to the potential disintegration of society and the *politeia*. Of course, there could be nothing further from public interest in any meaningful sense of the term.

4.2.5. *Further Avenues to Explore Authority*

As we observed in LJ, Smith argues that in ‘commercial societies’, the rich lose the traditional foundations for their authority. Free-market relations between employers and employees instrumentalize economic relationships between rich and poor, and give the poor unprecedented leeway to choose for whom they work. As such, they are not strictly bound to any specific rich employer and therefore, are not required to hand over their political allegiance when they sell their labour. For Smith, this is a significant advancement in the history of human societies because it dismantles the traditional foundations of authority. Prior to ‘commercial societies’, authority rested at the intersection of two different phenomena: the poor’s material dependency on the rich, and “innate” human propensity to sympathize with and admire others. Together, these phenomena gave the rich their authority in traditional societies. But by disentangling the poor’s material dependency on the rich from their “innate” propensity to sympathize, ‘commercial societies’ undermine the basis on which the rich used to rest their authority—which, it should be noted, is altogether different than the claim that the rich lose their *power*. In TMS, Smith tacitly suggests that because the poor cannot identify with the rich as authority figures in ‘commercial societies’, they tend to identify to the State instead to fill the need; and this is evidenced by the way that people behave, for instance, around kings or other heads of State. I then pushed this suggestion further by noting that the State itself operates on the same general principles as the division of labour and the free-market system and thus, is far too impersonal an outlet for people’s longing to express feelings of identity and admiration. I argued, instead, that people direct their feelings of admiration towards the sovereign in particular as the head of State, since the sovereign is the closest approximation ‘commercial societies’ have to traditional kings.

In my estimation and in retrospect, the argument still holds water to some degree. However, the theoretical model Smith develops to account for the authority principle ultimately neglects, or was unable, to predict one of the most pressing and recent re-emergence of authority in our contemporary ‘commercial societies’: *celebrity worship*. Celebrities have become ubiquitous in our current ‘commercial societies’, and they represent a new and altogether different form of authority than the rich—although there is significant overlap between material wealth and celebrity status. Celebrities in their current form did not appear to exist in exactly the same way at the time of Smith’s writing. Their authority is different than that of the rich in traditional societies. They do not attract people’s feelings of admiration or sympathy because people depend on them to make a living but rather, because they embody

idealized characteristics that distill vital social information needed to navigate our current social landscape. The attention and social capital they garner as a result may very well lead to the accumulation of material wealth, but celebrities nevertheless differ from the rich insofar as material wealth is not a *necessary* or *immediate* precondition of celebrity. And yet, their authority is undeniable: they are highly admired, their ability to perfectly embody certain characteristics of our society override their personal failings, and they are oftentimes excused for their worst behaviours. The phenomenon of celebrity worship has become so ingrained that the wealthy and even politicians have begun to model their actions accordingly to attain the same level of authority and social influence. And if we return to the sovereign, it becomes clear that the function of maintaining the dignity and reputation of her office is also increasingly modeled after celebrity worship. The sovereign's clout and reputation are meant to convey importance and to command attention—they are meant to give authority to whoever holds the office of sovereign by turning them into a *de facto* celebrity.

The limitations of Smith's theoretical model of authority is quite apparent here: in its current form, it fails to predict (and explain) the rise of celebrity worship in our current 'commercial societies'. Further research on this topic would therefore need to establish a preliminary dialogue between Smith's authority principle and more recent studies on celebrity worship. To that effect, a promising starting point would be to establish a connection between Smith's arguments in TMS on the "innate" propensity for human beings to sympathize, and the Horton & Wohl (1956) study that characterizes the one-way relationship between celebrities and their "fans", as a parasocial relationship, in order to determine whether the idea of parasocial relationships converge with Smith's authority principle. There is also a very promising opportunity to relate celebrity worship to our earlier conversation between Smith and Marx on alienation. To that effect, the Rubin, Perse, & Powell (1985) study analysing the relationship between loneliness and parasocial interaction, may be a good starting point to connect the rise of celebrity worship to the more widespread social feelings of powerlessness, isolation and self-estrangement so prevalent in today's 'commercial societies'.

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