

BOOK REVIEWS

Paul Sagar, *Adam Smith Reconsidered: History, Liberty, and the Foundations of Modern Politics* (Princeton and Oxford: Princeton University Press, 2022), pp. 248, \$35.00 (hardcover). ISBN: 9780691210834.

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Was Adam Smith an apologist for capitalism who rejected Jean-Jacques Rousseau's charge that commerce fundamentally compromised morality? In this confidently argued close reading of Smith, Paul Sagar not only replies with a forceful "no" but counters that the question itself is fundamentally misguided. He proceeds to overturn many tenets that have occluded accurate analysis of Smith's thought in recent decades. A list of some of these indicates Sagar's ambition: Smith was not a conjectural or stadial historian; the "four stages" theory was a brief thought experiment that has only a very limited role in Smith's thought; "commercial society" was not a core concept of Smith's thought and neither was "capitalism"; Smith was not impressed by or provoked into responding to Rousseau; Smith was not concerned with moral corruption brought about by purportedly vanity-motivated commerce but about political corruption resulting from conspiratorial merchants. *Adam Smith Reconsidered* is a strikingly iconoclastic book with much to be iconoclastic about. As such, it is potentially transformative and, even if you disagree, very thought-provoking—and enjoyable, too, if you're not on the receiving end.

Sagar's opening chapter holds that we have been blithely thinking Smith was a conjectural historian and proponent of a four stages theory of history, whereas he was neither of those things and is best characterized as a typical Enlightenment philosophical historian. The famous four stages model was a teaching tool used in Smith's lectures at Glasgow to indicate the likely development of societies absent political conflict—but real history is never without conflict. The model informs neither *Theory of Moral Sentiments* (1759, hereafter *TMS*) nor the *Wealth of Nations* (1776, hereafter *WN*) and we should jettison it from our accounts of classical economics. A similar fate is proposed for "commercial society," a concept that has taken pride of place in recent work on Smith and yet is used only twice in his published corpus. The meaning of the concept has expanded exponentially from its use by Smith as a "technical term" describing societies in which a division of labor means we must trade our labor for goods to refer to the end point of a stadial model of socio-economic development (p. 45). Such thinking is "all wrong" (p. 17). Smith's use of "commercial society" is actually "radically underdeterminate" in telling us anything about a society beyond that it has an advanced division of labor (p. 49). Instead, we must keep in mind both whatever specific historical society Smith is discussing in a particular passage and that Smith was interested in change "over the longu e dur e of Eurasian international relations" (p. 38).

In the second chapter we move into less radical territory—Smith's understanding of political liberty—but the analysis remains powerful. Freedom involved conditions of security of person and property maintained by the rule of law. Yet while this position is

associated with the republican theory of liberty as non-domination, Smith was not republican. Political liberty was experienced in advanced societies benefitting from a certain extent of legal development and, in Smith's time, this was found only in constitutional monarchies. More significant, Smith's "understanding of freedom was inherently and irreducibly historicized" and needed to be viewed as an outcome of specific *political*, not *economic*, developments (p. 55). The first establishment of liberty was to be found in cities receiving powers of self-government and thus "predates the great revolution unleashed by the advent of luxury in modern Europe," though it does spread to the countryside once feudal domination collapses (p. 89). There's a question of priority here, but Sagar seems to downplay the significance of barons buying trinkets. I would have been interested to see how Sagar's rereading of Smith's account of the gradual establishment of political liberty, especially in Book III of *WN*, compared with the account of the establishment of religious liberty in Book V.

The next two chapters substantiate Sagar's contention that "Smith was neither seriously influenced nor animated by Rousseau's *Discourse*" and that our reading of Smith has been "distorted ... by reading it through a Rousseauvian lens" (pp. 8, 143). In the third chapter Sagar sets out to demolish the idea that Smith's *TMS* was written to defend "commercial society" or "capitalism" against Rousseauvian attack. If Smith did have a primary stimulus, it was the moral philosophy of his friend and philosophical interlocutor David Hume—not least because Hume was an infinitely superior thinker to Rousseau. The fourth chapter sustains this line of argument. *TMS* is not a rebuttal of the charge that commerce causes moral corruption but a theory of human nature in societal context. Sagar advances several stimulating and significant claims about *TMS* including: Smith's discussion of moral corruption relates not to "modern European states" per se but to the division of labor and the commerce that emerges from that division; Smith does not draw any political conclusions from his discussion of moral corruption; and Smith is little concerned with the "effects upon the moral sentiments of commerce, luxury, inequality" experienced in "advanced modern European societies" (pp. 150, 151). Sagar claims almost unique originality about his reading of *TMS* IV.1.3, in which he takes Smith as arguing that market behavior was not motivated by vanity but by a "quirk of rationality"—though perhaps "quirk of psychology" is more apt—in which we "fixate on the means of utility production rather than the actual utility that is generated" (p. 173). Sagar claims that, to use one of Smith's examples, we buy a new watch not because our old watch does an inadequate job or because we want to show off but because the new watch is slightly more accurate, i.e., slightly better at being a watch.

As Sagar explains in the final chapter, Smith was concerned about corruption within advanced European societies but of the political rather than moral kind. The benefits of sound political judgment and the rule of law were threatened in various ways, not least due to the growing economic power of merchants. The great danger to late eighteenth-century European states was the "systemic corruption propagated by the merchant and manufacturing classes," resulting from wealthy merchants being able to influence comparatively less wealthy politicians (p. 187). Sagar encourages us to take heed of Smith's lesson about the danger to good political judgment posed by merchants who have the financial clout to influence politicians yet whose interests do not necessarily align with wider society. The important question is why merchants are capable of succeeding in their conspiracies. Sagar's answer is nuanced, and includes the merchants' sense of their own self-interest, the compound effect of previous successes, and,

most noticeably, their ability to gain the “greatest share of the public consideration” (*WN* I.xi.10).

Sagar encourages Smith researchers to “take a deeper look at what appears familiar” and to keep in mind that Smith was a subtle, sophisticated, and deeply historical thinker (p. 188). He practices what he preaches in this engagingly written work of close textual reading alongside sustained and near constant engagement with existing research on Smith. *Adam Smith Reconsidered* recommends nothing less than the sweeping away of many of the current interpretative paradigms and their framing concepts. If Sagar is correct, we can now place “commercial society” and “four stages theory” alongside “the invisible hand” as concepts given foundational significance in Smith commentary, yet which have very limited grounding in Smith’s actual writing. This raises the question, which Sagar only gestures towards, of why Smith research is so prone to build its analyses on concepts that have only limited textual justification.

Writing from the perspective of an intellectual historian of the Scottish Enlightenment, I wonder how successful Sagar’s injunctions will be. Take his discussion of whether Smith is a conjectural historian. Sagar’s correct observation that “Smith rarely proceeded by way of conjecture” does not tally with the capacious meaning of “conjectural history” as used in work on Enlightenment-era historical writing (p. 19). Sagar is judging Smith’s historical analyses against Rousseau’s *Second Discourse*, which acts as Sagar’s model of what “conjectural history” is. In writing on Enlightenment social theory, researchers have alternated talking about conjectural history, natural history, progressive history, developmental history, stadial history, and so on. These all result from a clear sense that many enlightened philosophers, Smith included, were undertaking historical analyses different to earlier forms of ecclesiastical and civil history. These shorthand descriptions often act as placeholders for more complicated understandings of Enlightenment-era historical analyses. Maybe this is evidence of laziness or complacency—I think it’s more evidence of the difficulty of the subject. Sagar’s argument is accurate and persuasive with regard to Smith, but while it may clear away “conjectural history,” my guess is it will leave the space open for some other concept that attempts but will inevitably fail to cover the complexity of historical arguments used in the Enlightenment era.

For all its destructive brilliance, Sagar does not completely follow through on the professed intentions of *Adam Smith Reconsidered*. He professes to demonstrate that Smith is “more thoroughly a political thinker” (blurb) than a moral or economic one. This is the Smith who emerges from Sagar’s rich reading of *WN*. Sagar’s analysis of *TMS* as a work not in dialogue with Rousseau involves, however, demonstrating that the work sets out a theory of socialized human nature that does not draw political conclusions (see especially pp. 147–151). Similarly, the claim that it was “war not commerce” that acted as the “engine of political change” (blurb) is not as central a theme as was claimed. Still, it’s best not to be greedy and this book is already a feast. *Adam Smith Reconsidered* further consolidates Sagar’s position as one of our leading new commentators on Smith and, if fellow Smith scholars can get past the bruising thrust of his argument, the book is likely to be a highly influential one.

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