

# THE EDIFYING DISCOURSES OF ADAM SMITH: FOCALISM, COMMERCE, AND SERVING THE COMMON GOOD

BY  
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*Adam Smith's discourses aim to encourage mores, practices, and public policies in service to the common good, or that which a universally benevolent spectator would approve of. The Wealth of Nations illustrates how in pursuing our own happiness within the bounds of prudence and commutative justice, we may be said, literally or metaphorically, to cooperate with God in furthering the happiness of humankind. The Theory of Moral Sentiments elaborates an ethic, here called "focalism," that instructs us to proportion our beneficent efforts to our knowledge and ability. The relationship between political economy and focalism is bidirectionally reinforcing. In one direction, the ethic of focalism contributes to the moral authorization of self-love, thereby invigorating and dignifying honest commercial activities. In the other direction, the insights of political economy reinforce the ethic of focalism by elaborating how through prudent commerce and focal beneficence, we cooperate, even if only metaphorically, in a grand social enterprise.*

## I. INTRODUCTION: PHILOSOPHIZING TOWARDS A BETTER SOCIETY

The common good, which we might also call "human happiness" or "flourishing," is the organizing framework of Adam Smith's ethics. Serving the common good is, moreover, the motivating force behind his efforts in political economy. Smith sought to understand human nature and the dynamics of social and political affairs in order to contribute to human betterment. Dugald Stewart wrote that Smith's "ruling passion" was a desire to "contribut[e] to the happiness and improvement of society" (Stewart [1811] 1982, p. 271).

A focus on serving the common good was a central aspect of Scottish Enlightenment thought. Smith's teacher Francis Hutcheson "stressed that one of the principal concerns

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of the moral philosopher must be to provide ‘rules and maxims’ that guide us to ‘universal good’” (Teichgraber 1986, p. 44). Hutcheson “*preached Philosophy*” (Scott 1900, p. 65; italics in original) for reasons indicated in the preface to his *Inquiry into the Original of Our Ideas of Beauty and Virtue*: “the Importance of any Truth is nothing else than its Moment, or Efficacy to make Men happy” (Hutcheson [1725] 2008, p. 7). David Hume, though sometimes taken to be more the anatomist than painter, perceived an intimate connection between philosophy and the common good. True philosophy, “if carefully cultivated by several, must gradually diffuse itself throughout the whole society, and bestow a ... correctness on every art and calling” (Hume [1748] 2000, p. 8). Hume conceived of himself as a kind of ambassador between the “Dominions of Learning” and “those of Conversation” (Hume [1742] 1994, p. 535). In the vein of Joseph Addison and Richard Steele, Hume sought to bring philosophical insights to bear on practical problems of his day; he looked to bring philosophy down from the heavens and into the coffeehouses and social clubs of Edinburgh and London for purposes of social and political reform (Robertson 2005, pp. 360–376; Merrill 2015; Livingston 1988). In George Campbell’s *Philosophy of Rhetoric*, which Smith owned in his personal library (Mizuta 2000), Campbell sums up a common Scottish sentiment: “all art is founded on science, and the science is of little value which does not serve as the foundation of some beneficial art” (Campbell [1776] 1860, p. 13).<sup>1</sup>

If the common good is our organizing ethical frame, how should we conceptualize virtue? Presuming our desire for virtue, how should we organize our individual affairs? And what are the implications for social arrangements? In eighteenth-century Scotland, answers to such questions increasingly found expression in relation to political economy. John Robertson writes that the Enlightenment in Scotland (and also Naples) was “dedicated to understanding and publicizing the cause of human betterment on this earth,” and that “in both cases, the terms in which this objective was articulated were those of political economy” (Robertson 2005, p. 377). The Select Society of Edinburgh was dedicated, according to *Scots Magazine* in 1755, “to discover the most effectual methods of promoting the good of the country” (quoted in Phillipson 1974, p. 444). Many of the questions debated focused on economic policy: “Whether Bounties on the exportation of corn be advantageous to trade and manufactures as well as to agriculture?” and “Whether moderate taxes are a discouragement to trade, industry and manufactures?” (“Extract from the Select Society Question Book,” n.d.).

In Part VI of the sixth edition of *The Theory of Moral Sentiments*,<sup>2</sup> Smith follows Shaftesbury, Hutcheson, and Joseph Butler, among others, in advancing the idea of “universal benevolence,” a Christian Stoic concept of good will and love for the whole of humankind (*TMS* VI.ii.3).<sup>3</sup> Sentiments of universal benevolence are akin to sentiments wishing to increase the common good of humankind. Smith maintains that a wise and virtuous person ought to wish the best for every “innocent and sensible being”; her “good-will [should be] circumscribed by no boundary, but [should] embrace the

<sup>1</sup> For an extended discussion of the aspiration to improve society in Smith, see Muller (1993).

<sup>2</sup> References to *The Theory of Moral Sentiments* are to Smith ([1790] 1982), hereafter referred to as “*TMS*,” followed by part, section (where one exists), chapter, and paragraph. References to *The Wealth of Nations* are to Smith ([1789] 1981), hereafter referred to as “*WN*,” followed by book, chapter, part (where one exists), and paragraph.

<sup>3</sup> For an exposition of “Christian Stoicism,” see Sher (2015, pp. 175–186).

immensity of the universe” (*TMS* VI.ii.3.1). He depicts the idea of increasing the happiness of humanity as “by far the most sublime” of all the “objects of human contemplation” (*TMS* VI.ii.3.5). But the person of virtue need not—and should not—act in constant, conscious reference to the whole of humankind. Constantly maintaining sentiments of universal benevolence in our daily activities exceeds our emotional limits. More significantly, the common good of humankind is not normally served when it is the object of our daily activities. We lack the knowledge to render our benevolent sentiments effective outside of our spheres of personal interaction and familiarity. Thus, a paradoxical truth: To effectively serve the common good of humankind, we must shift the bulk of our efforts and attention *away from* the abstract whole of humankind and towards our own small parts of that whole.

In elaborating this paradox, not only in Part VI but throughout *TMS*, Smith articulates an ethic here called “focalism.” Building on our natural affections (*TMS* VI.ii.2.4), focalism obliges us to principally attend to the natural objects of our sympathetic affections, beginning with our own person, and then circling outwards, with concurrently diminishing moral obligation, to our family, friends, neighbors, workmates, fellow citizens, and fellow humans anywhere or anytime in the future. I use the term “focalism” instead of “localism” because Smithian sympathy, the means by which we cultivate familiarity and personal knowledge, is more than spatial or geographic (see Forman-Barzilai 2010, p. 137). Sympathy doesn’t operate simply on the basis of local proximity; it flows through focal or salient points of familiarity, points that may be spread across physical space in different ways for different people, and so much more so in the twenty-first century.

The relationship between focalism and political economy is bidirectionally reinforcing. In one direction, the logic of focalism contributes to the moral authorization of self-love, which dignifies and invigorates economic activity. As we recognize our limited ability to care effectively for those outside of our narrow circle of familiarity, self-love becomes more central. Joseph Butler says we are “not to neglect what [we] really owe to [ourselves],” and that we are “in a peculiar manner ... intrusted with ourselves” (Butler [1729] 2017, pp. 107–108). In a similar vein, perhaps drawing on Butler,<sup>4</sup> Smith writes, “[E]very man ... is principally recommended to his own care” (*TMS* VI.ii.1.1). “The habits of oeconomy, industry, discretion, attention, and application of thought ... are apprehended to be very praise-worthy qualities, which deserve the esteem and approbation of every body” (*TMS* VII.ii.3.15).<sup>5</sup> The “desire of bettering our condition” (*WN* II.iii.28) appears a decent and worthy principle of action, so long as we cleave to “the truth of that great stoical maxim, that for one man to deprive another unjustly of anything, or unjustly promote his own advantage ... is more contrary to nature, than death, than poverty, than pain, than all the misfortunes which can affect him” (*TMS* III.3.6).

This first direction of reinforcement between focalism and political economy suggests one method of dealing with apparent tensions between *TMS* and *WN*. *TMS* and *WN* do not, contrary to the early claims of Karl Knies and August Oncken, evince different

<sup>4</sup> On the close relation between Butler and Smith on self-love, see Matson (2022). See also Force (2003, p. 87).

<sup>5</sup> The virtuousness of proper self-love is in fact depicted throughout *TMS* (Paganelli 2008).

accounts of human behavior.<sup>6</sup> Neither do they underscore any essential tensions between ethics and economics. According to the ethic of focalism, it is natural and proper that we act according to different principles in different “spheres of intimacy” (Nieli 1986). *TMS*, in the main, analyzes and prescribes how we should act and judge when dealing with our familiars. Starting in the fourth edition of *TMS* in 1774, the full title of the work makes this clear: *The Theory of Moral Sentiments, or an Essay towards an Analysis of the Principles by which Men judge concerning the Conduct and Character, first of their Neighbours, and afterwards of themselves*. *WN*, on the other hand, mostly treats “associative economic relationships that usually obtain between members of different intimate *Gemeinschaften*” (Nieli 1986, p. 619). Focalism teaches us that it is proper in impersonal relationships, like those treated in *WN*, to act largely according to self-love (again, so long as “that great stoic maxim” is heeded [*TMS* III.3.6]) because we have so very little knowledge of those with whom we deal. Similar lines of thought are emphasized by Fonna Forman-Barzilai (2010, pp. 120–134), James Otteson (2002, pp. 170–198), Ronald Coase (1976, pp. 533–534), Hiroshi Mizuta (1975, pp. 120–122), and, albeit in a somewhat different context, Gary Becker (1981) in his paper “Altruism in the Family and Selfishness in the Market Place.”<sup>7</sup>

Not only does focalism contribute to the moral authorization of economic activity; economic philosophy returns to reinvigorate the ethic of focalism. The analysis of *The Wealth of Nations* instructs us of the wisdom of focalism. It shows how, by focusing on our “humbler department[s]” (*TMS* VI.ii.3.6) of self-love and focal acts of beneficence, we can further the common good. Our industry and trade “invent and improve all the sciences and arts, which ennoble and embellish human life ... and [oblige the earth] to redouble her natural fertility, and to maintain a greater multitude of inhabitants” (*TMS* IV.i.10). Through the market process, we contribute to the “common stock” of goods, a stock available to a wide, international multitude of individuals at historically low costs (*WN* I.ii.5). Even if our efforts stray outside of the bounds of prudence, we may yet contribute to the good by removing a host of miseries from the lives of others (Rasmussen 2006; Matson 2021a).

This second direction of the relationship between focalism and political economy connects the ethics of *TMS* and the economics of *WN*. The books join together as a grand sermon on how to serve the common good of humankind, a sermon that culminates in Smith’s “liberal plan” (*WN* IV.ix.3). That this was at least part of Smith’s design seems clear. Smith offers his readers a course in moral education across his works (Hanley 2009, 2019; Griswold 1999, pp. 70–75). Nicholas Phillipson says that Smith aimed at “instructing [persons of the] middling rank in their duties ... as citizens of a modern commercial polity” (Phillipson 1983, p. 179).

By deploying the lens of focalism, we may use the heading of benevolence to better integrate *TMS* and *WN*. Benevolence is largely absent on one level in *WN*, but *WN* may be viewed as elucidating how the ethic of focalism, which works with our natural sentiments, advances what a universally benevolent beholder of humankind would approve of. *WN* helps illustrate how, in organizing our affairs along the lines of focalism,

<sup>6</sup> For useful reviews of the origins of the Adam Smith Problem, see Nieli (1986, pp. 612–614); Otteson (2002, pp. 134–137).

<sup>7</sup> I thank an anonymous referee for bringing some of this literature to my attention in this context.

we may be said to “co-operate with the Deity” in serving the happiness or common good of humankind (*TMS* III.5.7).

The role of theology in Smith’s ideas is complex and contested.<sup>8</sup> Smith often uses conventional theological language, and it is difficult to imagine that all such language is merely ornamental. He seems committed to various teleological explanations in his moral philosophy and economics. He repeatedly affirms divine providence and the wisdom of nature. At the same time, it also seems that Smith becomes increasingly skeptical about aspects of religious doctrine in later editions of his works. He removes a long passage on the doctrine of atonement from the final edition of *TMS* (II.ii.3.12). He adds a takedown of what David Hume calls the Christian “monkish virtues” of humility and asceticism (*TMS* III.2.35). Complicating matters further is the fact that Smith deploys additional theological concepts in the final edition of *TMS* (Forman-Barzilai 2010, p. 93; Klein, Matson, and Doran 2018), using those concepts to advance an understanding of virtue and effective social practice (see Dickey 1986). Part VI of *TMS*, especially the chapter on universal benevolence where Smith presents the ethic of focalism most pointedly, is replete with theological language. It is not entirely clear whether the added use of theological concepts on Smith’s part signals an affirmation of conventional religious ideas or, rather, betokens something of a “coy theology” (Dickey 1986, p. 605).<sup>9</sup> Regardless, theologically infused formulations structure Smith’s analysis in a meaningful way and merit exploration on their own terms.

The key ideas of this essay owe a considerable debt to the work of Fonna Forman-Barzilai (2010). Forman-Barzilai’s rich account of Smith’s engagement with the Stoic doctrine of *oikeiosis*, especially her interpretation of Smith’s inversion of the cosmopolitan ethic (e.g., p. 132), prefigure my ideas about focalism. Forman-Barzilai, moreover, anticipates my method of reconciling *TMS* and *WN*: “Smith was manifestly clear that his political economy was contained within his larger project of moral philosophy” (p. 196). *WN* promotes a “commercial cosmopolis,” in which “commercial intercourse among self-interested nations can emulate good-will on a global scale” (p. 41). I build on Forman-Barzilai in two ways. I attempt to illustrate the logic of focalism anew, explicitly spelling out its three philosophical propositions and emphasizing its basis in considerations of the common good. Second, my attempt to reconcile *TMS* and *WN*, though consonant with Forman-Barzilai’s position, differs in emphasis. Forman-Barzilai concentrates on international trade, viewing Smith’s perspectives in *WN* as “a moral philosopher’s reluctant concession to living in a world highly resistant to cosmopolitan aspirations” (p. 197). I emphasize how *WN* recommends honest commerce as a proper and virtuous way of life. Through the principle of focalism and the insights of political economy, I here put forth the unitary arc of Smith’s thought as a set of recommendations, which, drawing upon aspects of Christian theology, “depend on faith and hope and transcendent love” and express hope “for a rather better society” (McCloskey 2008, p. 68).

<sup>8</sup> For studies that find evidence of conventional eighteenth-century Presbyterian theology and British natural theology in Smith, see Viner (1927), Kleer (2000), Hill (2001), Alvey (2004), Oslington (2011, 2012), and van der Kooi and Ballor (2020). For studies that read Smith as a religious skeptic of some kind, see Minowitz (1993), Kennedy (2011), and Rasmussen (2017).

<sup>9</sup> For a broad survey of the development of Smith’s ideas on theology across the editions of *TMS*, see Matson (2021b).

## II. THE RIGHT, THE GOOD, AND THE IMPARTIAL SPECTATOR

Moral judgments “must always bear some secret reference, either to what are, or to what, upon a certain condition, would be, or what, we imagine, ought to be the judgment of others” (*TMS* III.i.2). Moral judgment initially involves a projection of self into the situation of “any fair and impartial spectator” (*TMS* III.i.2). Smith refers to the act of projecting oneself into an impartial spectator’s station as “sympathy.” He also refers to the spectator’s approving sentiments (if they are obtained) as “sympathy.” “Sympathy” is also used from the outset of *TMS* to indicate fellow-feeling generally, in a way that corresponds to the contemporary concept of empathy (*TMS* I.i.1.5; cf. Haakonssen 1981, p. 51).

Like “sympathy,” Smith deploys the term “impartial spectator” in various ways. Sometimes “impartial spectator” designates an actual bystander who is putatively disinterested in the situation at hand. Occasionally Smith equates the impartial spectator with the conscience or “the man within the breast” (e.g., *TMS* III.2.32), although often with the interjection of the skeptical adjective “supposed” (Klein, Matson, and Doran 2018, pp. 1162–1164). At other times “the impartial spectator” reverently designates a godlike being with superhuman knowledge, a being who can enter into the particulars of circumstance yet maintain a universal perspective. The godlike impartial spectator passes down judgments both wise and beneficial.

In our desire not merely to receive the praise of local impartial spectators, but to really be worthy of praise (*TMS* III.2), we may be said to seek after the approval of the godlike impartial spectator. Not satisfied with the judgments of our social group, we search after the praiseworthy, casting our imaginations upwards to a “higher tribunal, to that of the all-seeing Judge of the world, whose eye can never be deceived, and whose judgment can never be perverted” (*TMS* III.2.33). It is the godlike impartial spectator whom Smith says our conscience, the man within the breast (the “supposed” impartial spectator), endeavors to represent (*TMS* VI.i.11). For clarity, I hereinafter capitalize the phrase “Impartial Spectator” to distinguish the godlike sense of the impartial spectator from other meanings.<sup>10</sup>

The godlike nature of the Impartial Spectator implies knowledge problems in moral judgment. The question “What should we do?” often evades a simple answer. We do not have access to the eyes of God. Besides the rules of commutative justice, the rules of virtue are “loose, vague, and indeterminate”; they “present us rather with a general idea of the perfection we ought to aim at, than afford us any certain and infallible direction for acquiring it” (*TMS* III.6.11). Our moral discourse, both within our person and with other people, explores what we think the Impartial Spectator approves of. That conversation “may never, or very rarely, be completely successful” (Haakonssen 1981, p. 56).

But what is clear for Smith is that the Impartial Spectator, in the end, approves of that which serves the common good of humankind. The right corresponds to the good. If we take the Impartial Spectator to be analogous to God (Evensky 1987, p. 452; Klein,

<sup>10</sup> There is no consensus in the Smith literature on the theory of the impartial spectator. I rely here on the interpretation presented in Klein, Matson, and Doran (2018) and the literature review therein. Others who affirm the presence of a godlike spectator in Smith include Brown (1994, p. 74), Evensky (1987, p. 452), and Haakonssen (1981, p. 56). Others who distinguish between the conscience and the impartial spectator include Young (1997, p. 74) and Den Uyl (2016).



Matson, and Doran 2018), or perhaps the Stoic divine being (Brown 1994, p. 74), the point becomes apparent. “Benevolence,” Smith writes, “may be the sole principle of action in the Deity, and there are several, not improbable, arguments which tend to persuade us that it is so. It is not easy to conceive what other motive an independent and all-perfect Being, who stands in need of nothing external, and whose happiness is complete in himself, can act from” (*TMS* VII.ii.3.18). Benevolence is not, however, the sole criterion of human judgments (see *TMS* VII.ii.3). We approve of actions not only on account of their benevolent intent and beneficial effects but on account of their propriety, their merit, and their accordance with general moral rules (see *TMS* VII.iii.3.17). These factors normally combine to form “the first ground of our approbation” (*TMS* IV.2.3). Our reflexive moral judgments, in other words, normally rest at the level of efficient cause. We judge that an act is good and decent if it stays within the norms of propriety and moral custom. We learn these norms through interaction with literal impartial spectators in our midst.

But the human soul naturally reflects on the properness and the worthiness of social norms themselves. Such reflections push us to imagine and attempt to take up the position of the Impartial Spectator in order to estimate the worthiness of our operating principles of judgment. In so doing, because we are “naturally endowed with a desire of the welfare and preservation of society” (*TMS* II.i.5.10), we recognize that our standards of propriety, merit and demerit, and general rules have real moral authority only insofar as they serve the common good.<sup>11</sup> If we would pursue rightness, we naturally realize that we must pursue the good of the whole. Perhaps thinking along such lines, Smith claims that “by acting according to the dictates of our moral faculties, we necessarily pursue the most effectual means for promoting the happiness of mankind, and may therefore be said, in some sense, to co-operate with the Deity, and to advance as far as in our power the plan of Providence” (*TMS* III.5.7; see also *TMS* IV.2.3). Ryan Hanley summarizes the point: “the end of our goodness ... isn’t simply our own happiness but the promotion of the happiness of all, and thereby God’s will, here on earth” (Hanley 2019, p. 132).

### III. VIRTUE AND THE ETHIC OF FOCALISM

What mores, habits, and practices actually tend towards the happiness of the individual and society? Or, in Smith’s language, “wherein does virtue consist” (*TMS* VII.i.1)?<sup>12</sup> Smith formulates his general answer to that question in Part VI of *TMS*, titled “Of the Character of Virtue.”<sup>13</sup> He begins by reiterating that the virtue of an action or character trait has reference to the common good. The character of any individual is to be assessed

<sup>11</sup> For an elaboration of this claim in the context of comparing Smith’s ideas to Hume, see Matson, Doran, and Klein (2019, pp. 691–700).

<sup>12</sup> Not all actions that benefit society are virtuous. For example, actions based upon our disposition to admire the rich and powerful (*TMS* I.iii.2) and our acquisitive tendencies (*TMS* IV.i) serve the stability and material prosperity of society. But such actions are certainly not unambiguously virtuous. Smith says they often evidence moral corruption, although they might in specific contexts have a virtuous aspect. To ascribe virtue to an actor requires us to consider her awareness and intent, along with the usefulness, agreeableness, and properness of the outcome of her actions.

<sup>13</sup> For other interpretations of the virtue ethics of *TMS* VI, see McCloskey (2008) and Hanley (2009).

“under two different aspects; first, as it may affect his own happiness; and secondly, as it may affect that of other people” (*TMS* VI.intro.1; see also VI.concl.6). Smith then treats three cardinal virtues that serve the common good: prudence, justice, and beneficence (the active form of benevolence).<sup>14</sup> The discussion of these three virtues is followed by an analysis of the virtue of self-command. It is prudence, justice, and beneficence, actuated by the virtue of self-command,<sup>15</sup> that constitute a chief part of the character of virtue. In rehearsing Smith’s exposition of these virtues, we arrive at his statement of focalism.

### *Prudence, or Proper Self-Love*

Like Shaftesbury and Butler, Smith’s view of self-love operates “within a discursive space mapped out by Stoic moral philosophy” (Brown 1994, p. 84; see also Vivenza 2001, pp. 54–56). Within that space, against the views of Thomas Hobbes, Bernard Mandeville, and the other authors of “licentious systems” (*TMS* VII.ii.4), self-love features “as a benign sentiment at the service of nature’s ends” (Force 2003, p. 87). For the Stoics, self-love is a universal principle of action, a principle that humans have in common, to a large extent, with all animal life (Inwood and Donini 1999, pp. 678–679). Self-love derives initial moral justification from the requirements of self-preservation and the continuation of humankind. It is self-love that drives us to satisfy “the appetites of hunger and thirst, the agreeable or disagreeable sensations of pleasure and pain, of heat and cold, etc.” (*TMS* VI.i.1).

We approve of self-love in others partly because without self-love, there would exist no common good to speak of—there would be no surviving members of the human race. Somewhat paradoxically, then, self-love derives moral authorization from the fact that we do care about others: “Carelessness and want of oeconomy are universally disapproved of, not, however, as proceeding from the want of benevolence, but from a want of the proper attention to the objects of self-interest” (*TMS* VII.ii.3.15). We each mutually recognize that our own individual happiness contributes to the happiness of humankind.

Prudence is proper self-love.<sup>16</sup> Prudence teaches us to properly manage expressions of self-love beyond self-preservation to ensure that our actions actually serve the goal of self-love, which is to further our own happiness. Butler remarks that “immoderate self-love does very ill consult its own interest” (Butler [1729] 2017, p. 96), and Smith agrees (e.g., *TMS* III.4.12; see Matson 2022). We must distinguish between true self-love and

<sup>14</sup> For a helpful discussion of the relation and distinctions between benevolence, beneficence, and “beneficialness,” see Klein (2021a).

<sup>15</sup> Note that I don’t here discuss Smith’s treatment of self-command. That is because self-command is largely an instrumental virtue, deriving much of its merit from the fact that it enables us to control our native appetites and instincts and cultivate the three cardinal virtues (*TMS* VI.iii.1). We must look beyond the pleasure of the moment to be prudent; we must abstain from what is another’s to be just; we must shift our focus off ourselves to be beneficent. Self-command is therefore, in a way, subsidiary to the other virtues. It is, of course, vital to living a moral life. But without the other virtues, we have nothing to command ourselves towards.

<sup>16</sup> Smith distinguishes, in fact, between two sorts of prudence: regular or basic prudence—which Joseph Cropsey (2001, p. 12) refers to as “little prudence”—and a “superior prudence,” which “when carried to the highest degree of perfection, necessarily supposes the art, the talent, and the habit or disposition of acting with perfect propriety in every possible circumstance and situation” (*TMS* VI.i.15). I deal here only with regular prudence. For various elaborations of Smith’s ideas about prudence, see Hanley (2009, pp. 100–132); Den Uyl (1991); Brown (1994, pp. 67–87); Matson (2021a, pp. 834–835).



satisfied desire. It is in our “cool hours” that we lay “down to ourselves ... what [is] most proper for us to pursue” (*TMS* VII.ii.15). In *WN*, Smith likewise notes that the desire to better our condition” itself is “generally calm and dispassionate” (*WN* II.iii.28). Our self-love would often have us resist the more violent propulsion of the passions (cf. Hirschman 1977).

Smith indicates the provenance of prudence in economic considerations (Vivenza 2001, pp. 54–56; Matson 2021a, pp. 834–835). Prudence teaches us not to overestimate the contribution of wealth and greatness to our happiness. We ought to pursue material goods and services to provide for financial independence and security (*TMS* VI.i.4), but we should avoid overextending ourselves in order to acquire “trinkets of frivolous utility” (*TMS* IV.1.6).<sup>17</sup> Among other things, prudence also teaches us to value frugality and industry over indolence, sincerity over vainglory, tranquility over drastic changes in fortune, and frankness in our dealings. Prudence, in short, is an essential aspect of commercial ethics.

### *Justice, or Abstaining from What Is Another’s*

Smith’s treatment of justice in the introduction of *TMS* (VI.ii) is brief, but that brevity should not be taken to diminish its significance in his account of virtue. Commutative justice is the essential prerequisite for extended social life beyond the clan.<sup>18</sup> Justice is an essential prerequisite for human flourishing: “Society cannot subsist unless the laws of justice are tolerably observed, as no social intercourse can take place among men who do not generally abstain from injuring one another” (*TMS* II.ii.3.5).

The efficient cause of our disapproval of acts of injustice is the passion of resentment. We resent those who violate our (or another’s) person, property, estate, or promises due. This resentment interrelates with Smith’s Christian-Stoic sensibilities. We are, as Marcus Aurelius maintains, jointly citizens of the “common city” of humankind (quoted in Moore and Silverthorne 2008, p. 49). We are all a part of the great whole of humankind. The Apostle Paul maintains that “there is neither Jew nor Greek, there is neither bond nor free, there is neither male nor female: for ye are all one in Christ Jesus” (Gal. 3:28, KJV). In a similar mode, Smith levels moral differences between “the philosopher and ... common street porter” (*WN* I.ii.4)—and also the enslaved and the slaver (*TMS* V.2.9; Klein 2020). There is a moral equality of souls in the eyes of the Impartial Spectator. To break in upon the rules of justice is to disregard the moral equality of our fellow human beings, rendering us proper objects of resentment: “We are but one of the multitude, and in no respect better than any other in it; ... when we prefer ourselves so shamefully and so blindly to others, we become the proper objects of resentment, abhorrence, and execration” (*TMS* III.3.4).

<sup>17</sup> Matson (2021a) discusses how Smith’s lesson about the pursuit of “trinkets of frivolous utility” in *TMS* IV may well have been intended to encourage individuals to pursue wealth prudently, with an eye towards the social benefits of commerce but also a wariness of the lure of power and riches. Hanley (2009, pp. 100–132) develops similar themes.

<sup>18</sup> Smith distinguishes between three concepts of justice in *TMS*: commutative, distributive, and general or “estimative” justice (Klein 2021b). Following the modern natural law tradition of Hugo Grotius (Buckle 1991), Smith sees that it is commutative justice that is essential for the survival of an extended society. The other two concepts of justice dovetail with broader, looser considerations of desirability.

Reflection quickly reveals that our natural resentment for violators of justice “seems to have been given us by nature” (*TMS* II.ii.1.4). Commutative justice is the operating system of extended society. It is the pillar of “the great fabric of human society,” without which the social order would “crumble into atoms” (*TMS* II.ii.3.3). That we naturally resent those who violate our natural conventions of commutative justice illustrates how, in at least many cases, “every thing is contrived for advancing the two great purposes of nature, the support of the individual, and the propagation of the species” (*TMS* II.ii.3.5).

### *Benevolence and the Principle of Focalism*

On its face, benevolence is perhaps the most intuitive virtue. If the right has reference to that which serves the good, intentionally serving the good is, of course, a central aspect of the right. That is why active benevolence is the cornerstone of virtue in Shaftesbury and Hutcheson, and why it plays an important role, for instance, in Butler, Henry Home (Lord Kames), and Hume.

Smith is clear that good intentions are not a sufficient condition for the virtue of benevolence. To cultivate benevolence, we must scrupulously consider how our attempted benevolence actually “promotes the happiness either of the individual or of ... society” (*TMS* VII.iii.3.16). Benevolence must not, as Butler says, be a “blind propension” but a “principle in reasonable creatures” (Butler [1729] 2017, p. 110). In treating the virtue of benevolence, Smith thus considers “the Order in which Individuals are recommended by Nature to our care and attention” (*TMS* VI.ii.1). How do we make our goodwill effective in practice?

Smith’s answer to this question finds expression in a chapter called “Of Universal Benevolence” (*TMS* VI.ii.3). From the outset of the chapter, Smith tells us that “the wise and virtuous man is at all times willing that his own private interest should be sacrificed to the public interest of his own particular order of society” (*TMS* VI.ii.3.3). Forman-Barzilai (2010, p. 127) says that Smith’s wise and virtuous man here corresponds to a Stoic sage and not to Smith’s own conception of wisdom and virtue. But in the next paragraph, Smith says that our “magnanimous resignation to the will of the Director of the universe [does not] seem *in any respect* beyond the reach of human nature” (*TMS* VI.ii.3.4; italics added). Given his criticism of the inhuman demands of Stoicism elsewhere in *TMS*—for instance, his cutting remark that Stoical apathy towards our children “can seldom serve any other purpose than to blow up the hard insensibilities of a coxcomb” (*TMS* III.3.12)—his emphasis on the feasibility of “magnanimous resignation” is surprising. Perhaps he is not merely discussing the Stoic sage here after all. He continues to draw an analogy to soldiers happily following their commander’s orders: “no conductor of an army can deserve more unlimited trust, more ardent and zealous affection, than the great Conductor of the universe” (*TMS* VI.ii.3.4). The paragraph concludes by emphasizing again the feasibility of such submission: “a wise man should surely be capable of doing what a good soldier holds himself at all times in readiness to do” (*TMS* VI.ii.3.4). The person of virtue ought to aspire to serve that which pleases the universally benevolent sentiments of the Impartial Spectator.

Smith proceeds to engage with Marcus Aurelius. Smith follows Aurelius and affirms the beauty of the idea of “a divine Being, whose benevolence and wisdom have, from all eternity, contrived and conducted the immense machine of the universe, so as at all times to produce the greatest quantity of happiness” (*TMS* VI.ii.3.5). But our duty is not simply

to contemplate. We are to actively participate in the furthering of God's plans. "Sublime speculation ... can scarce compensate the neglect of the smallest active duty" (*TMS* VI.ii.3.6). Smith's criticism of Marcus Aurelius is a criticism of elements of Stoic cosmopolitanism. But it is not a criticism of the wise and virtuous man of the earlier paragraphs. Rather, we should take it as an elaboration of the obligations of wisdom and virtue. What Smith recommends to the wise and virtuous man is not, on its face, grandiose or romantic. It is the ethic of focalism: "The administration of the great system of the universe ... is the business of God and not of man. To man is allotted a much humbler department, but one much more suitable to the weakness of his powers and to the narrowness of his comprehension; the care of his own happiness, of that of his family, his friends, his country" (*TMS* VI.ii.3.6).

The order here—self, family, friends, country—is significant. Hutcheson, perhaps following Cicero and Samuel Pufendorf (Turco 2007, p. xiv), compares our "universal Benevolence toward all Men" with "that Principle of Gravitation, which perhaps extends to all Bodys in the Universe; but like the Love of Benevolence, increases as distance is diminish'd" (Hutcheson [1725] 2008, p. 150). He views the natural strength of our benevolence as beneficial in that it naturally directs our beneficent acts towards those of whom we have appropriate knowledge to serve. Following Hutcheson, Smith sees that the strength of our obligations of beneficence are positively correlated with knowledge and familiarity. Similar points come across in Butler (1729] 2017, p. 103), Hume ([1751] 1998, p. 41), and Kames ([1751] 2005, p. 46).

#### IV. THREE PROPOSITIONS OF FOCALISM

The statement of focalism at *TMS* (VI.ii.3.6) rests upon a philosophical argument that is developed in the earlier chapters of *TMS* VI but also in other places throughout Smith's works. That argument can be expressed in three propositions:

1. "Ought" implies "can."
2. "Can" is limited by knowledge.
3. Knowledge is limited by social experience.

##### *"Ought" Implies "Can"*

The principle that "ought" implies "can" is often attributed to Immanuel Kant (see Kohl 2015). The principle holds that we cannot be morally responsible or culpable for that which we cannot affect. The moral proposition that we ought to help our neighbor, for instance, obtains only if we actually have the power or the ability to help our neighbor. "Cannot," accordingly, implies "ought not." If we have no power to help our neighbor, we are not obliged to focus our efforts on helping her. We might, in fact, be morally culpable if we *do* focus on helping her, given that our efforts, by assumption, will be in vain, and will inevitably distract us from making a more becoming use of ourselves.

Although "ought" implies "can," "can" clearly does not always imply "ought." I may be able to help any number of people but not all of them. My ability to help any single individual is not, on its own, a sufficient reason for me to help that individual. Opportunity costs must be considered.

Smith anticipates Kant to some extent on the relation of “ought” and “can” (cf. Forman-Barzilai 2010, p. 116). Smith would largely agree in principle with Hutcheson’s famous maxim: “that Action is best, which procures the greatest Happiness for the greatest numbers” (Hutcheson [1725] 2008, p. 125). But he understands that seeking to assimilate that maxim into our active habits and conscious routines will be guesswork. We have little power and less knowledge of how to effectively pursue the good of the whole in any direct fashion. Smith, accordingly, emphasizes a set of ordinary but beneficial mores to govern our impersonal interactions.<sup>19</sup> We should try to steel ourselves into better moral rules and more elevated senses of propriety. But we need not attempt to serve the happiness of the greatest number of people with every conscious act, as Hutcheson’s maxim might seem to suggest.

Smith develops his position in conversation with a group of thinkers whom he refers to as “those whining and melancholy moralists” (*TMS* III.3.9). The “whining and melancholy moralists” reproach us for enjoying private happiness “while so many of our brethren are in misery”; they exhort us to commiserate with “those miseries which we never saw ... but which we may be assured are at all times infesting ... numbers of our fellow creatures” (*TMS* III.3.9). Smith’s response to these moralists is curt:

This artificial commiseration ... is not only absurd, but seems altogether unattainable. ... Whatever interest we take in the fortune of those with whom we have no acquaintance or connexion, and who are placed altogether out of the sphere of our activity, can produce only anxiety to ourselves, without any manner of advantage to them. To what purpose should we trouble ourselves about the world in the moon? All men, even those at the greatest distance, are no doubt entitled to our good wishes, and our good wishes we naturally give them. But if, notwithstanding, they should be unfortunate, to give ourselves any anxiety upon that account, seems to be no part of our duty. (*TMS* III.3.9)

It is humane and laudable to wish well for all of humankind. But we do no good to ourselves or others through melancholy and anxious reflections on the misery of those outside of the sphere of our influence. Our obligations derive from our capabilities. Smith would have us turn our focal attention from the good of humankind in the abstract towards the good of those individuals placed within our spheres of influence. Along the lines of Butler, Smith emphasizes that we ought to promote *effective*—as opposed to intended—beneficence (Butler 1749, p. 237). We promote effective beneficence by heeding the natural contours of our sentiments and keeping our attention, as it were, close to home. Thus, “that we should be but little interested, therefore, in the fortune of those whom we can neither serve nor hurt, and who are in every respect remote from us, seems wisely ordered by Nature; and if it were possible to alter in this respect the original constitution of our frame, we could yet gain nothing by the change” (*TMS* III.3.10).

### *“Can” Is Limited by Knowledge*

The point is an intuitive one. Outside of very basic material provision, we cannot effectively help others if we lack knowledge of their circumstances, their desires, their aspirations, their habits, their shortcomings, their needs. Even basic material provision,

<sup>19</sup> On the nested relationship between the ordinary mores of propriety and the criterion of benefit in Smith, see Matson, Doran, and Klein (2019, pp. 691–700).

if it is provided at a distance and lacks knowledge of local circumstances, might prove difficult and be counterproductive.<sup>20</sup> If my neighbor is in low spirits, or suffering from illness, I will be unable to effectively come to her aid if I lack knowledge of the causes of her low spirits, or the circumstances and prospects of her illness. To come to her aid beyond a level of generic well-wishes, I will need to educate myself. I will need to gather information and contextual details by sympathetically entering into her situation. The neighbor example anticipates the final proposition of focalism, that knowledge is largely a function of social experience.

Before taking that point up, we should note that the idea that “can” is limited by knowledge looms large in Smith’s politics. Consider Smith’s “man of system.” Smith says that he is “wise in his own conceit” (*TMS* VI.ii.2.16). He displays cognitive vices typical of the politician (Fleischacker 2004, pp. 233–236). His vice stems partly from the fact that he is “intoxicated with the imaginary beauty of [an] ideal system,” and seeks to foist that system on society without due consideration of its probable consequences and the violence it may do to the constitution and culture of the polity. But his vice also lies in the fact that he inappropriately presumes to know what the members of society want. “Every single [member of society] has a principle of motion of its own, altogether different from that which the legislature might chuse to impress upon it” (*TMS* VI.ii.2.18). Even on the generous assumption that the man of system is seeking to improve human happiness with the establishment of his ideal system, he is limited in his ability to do so because he simply cannot know what people want.

The same point comes across in two passages in *WN*:

Every individual, it is evident, can, in his local situation, judge much better than any statesman or lawgiver can do for him. The statesman, who should attempt to direct private people in what manner they ought to employ their capitals, would not only load himself with a most unnecessary attention, but assume an authority which could be trusted, not only to no single person, but to no council or senate whatever. (*WN* IV.ii.10)

The sovereign is completely discharged from a duty, in the attempting to perform which he must always be exposed to innumerable delusions, and for the proper performance of which no human wisdom or knowledge could ever be sufficient; the duty of superintending the industry of private people, and directing it towards the employment most suitable to the interest of society. (*WN* IV.ix.51)

Commenting on such passages, Samuel Fleischacker points out that Smith’s skepticism about political action “is not so much a view about morality as a view about cognition” (Fleischacker 2004, p. 233). In making this claim Fleischacker means that Smith does not take an absolute stand against government action per se simply on the basis of abstract principle. On the fanciful and wide-reaching assumption of an all-knowing and benevolent state, Smith would surely have fewer reservations about many government interventions—although he would certainly still have some reservations, for instance, deriving from his view of the “sacred property” that “every man has in his own labour” (*WN* I.x.c.12), a view that is part of his broader anti-paternalist sentiments (Fleischacker 2004, p. 234). But what is important to see is that in practice, morality and cognition for Smith are closely intertwined. The state ought to largely refrain from

<sup>20</sup> For a discussion of the challenges of impersonal humanitarian aid in modern context, see Coyne (2013).

intervening into individuals' circumstances because the state, even assuming away principal-agent problems and the very frequent misalignment of public and private political interests, normally lacks the knowledge to intervene beneficially into private life. Government interventions are often immoral for Smith because they inappropriately presume knowledge not possessed—and not possibly possessed—by political actors.<sup>21</sup>

### *Knowledge Is Limited by Social Experience*

Knud Haakonssen (1981, p. 79) draws a distinction in Smith between two kinds of knowledge: contextual knowledge and system knowledge.<sup>22</sup> Both sorts of knowledge are, in a sense, relational. Their difference lies in the fact that relations are the *objects* of system knowledge, like the nexus of relations that make up an economy, whereas contextual knowledge is relational in *practice*, being developed through actual social relationships (pp. 79–80). Haakonssen's distinction between system and contextual knowledge resembles Friedrich Hayek's (1945) distinction of scientific and local knowledge, where local knowledge is the particular knowledge of time, place, and circumstance. Haakonssen's system knowledge, like Hayek's scientific knowledge, is the sort of knowledge that typically fills textbooks. Contextual knowledge, on the other hand, like local knowledge, is the "concrete knowledge which arises from specific situations and which gives rise to common-sense ideas of behaviour wherever people live together" (Haakonssen 1981, p. 79; cf. Hayek 1945, p. 522).

Contextual knowledge in Smith arises as we practice projecting ourselves into the situations of others, a practice that relies on repeated interactions and a close observation of the sentiments and opinions of those around us. Contextual knowledge in Smith is a function of sympathy. It increases as we learn to mentally "accommodate and to assimilate ... our own sentiments, principles, and feelings" to those of our relations (*TMS* VI.ii.1.16). It grows only as we improve at metaphorically *becoming* those we would help; only through such becoming, which entails taking on a person's "perspective," or "network of opinions and attitudes, formed in response to events in the world" (Fleischacker 2019, p. 31), can we truly anticipate an individual's needs, desires, shortcomings, and strengths. Without habitual sympathy we lack the contextual knowledge to make our beneficent acts effective.

Smith's perspective reinforces the propriety of self-love. We are most habituated to sympathize with ourselves. "Every man is certainly, in every respect, fitter and abler to take care of himself than of any other person. Every man feels his own pleasures and his own pains more sensibly than those of other people" (*TMS* VI.ii.1.1). Self-love is a central part of serving the common good.

<sup>21</sup> Smith does allow for government interventions of various kinds. I pick up the relation between focalism and public policy again in section VI.

<sup>22</sup> For other complementary perspectives on knowledge in Smith, see Fleischacker (2004, pp. 22–26); Klein (2012, pp. 144–156). See also Eric Schliesser's (2017) discussion of "environmental rationality" in Smith, which captures the idea that "according to Adam Smith an individual's ... judgment is developed and calibrated in a particular environment" (p. 68).



Smith draws out the connection between knowledge, sympathy, and ability further in discussing family relations:

[The members of a person's family] are naturally and usually the persons upon whose happiness or misery his conduct must have the greatest influence. He is more habituated to sympathize with them. He knows better how every thing is likely to affect them and his sympathy with them is more precise and determinate, than it can be with the greater part of other people. It approaches nearer, in short, to what he feels for himself. (*TMS VI.ii.1.1*)

We are well equipped to care for our family because of our social proximity, which leads to habitual sympathy. Habitual sympathy in turn engenders knowledge of circumstance. I am better equipped to care for my family and friends than you are because I am familiar with their quirks, their views, and their struggles.<sup>23</sup> We are simply not well equipped to effectively aid those who are distant from us. There is wisdom, on this account, in the natural distribution of our affections. If we would serve the common good, we do well to proportion our beneficent efforts in line with the strength of our natural affections:

That wisdom which contrived the system of human affections, as well as that of every other part of nature, seems to have judged that the interest of the great society of mankind would be best promoted by directing the principal attention of each individual to that particular portion of it, which was most within the sphere of both his abilities and of his understanding. (*TMS VI.ii.2.4*)

## V. FOCALISM AND POLITICAL ECONOMY: BIDIRECTIONAL REINFORCEMENT

The ethic of focalism and Smith's ideas about political economy are bidirectionally reinforcing. In the first direction, focalism morally justifies pursuing our own happiness and the happiness of those we live with. It is good that my interactions with the butcher, the brewer, and the baker orient around mutual self-love. I do not know my brewer. Without cultivating a personal relationship and learning more about her context, I can't be sure that my beneficent acts will do her any real good. (As supply chains become increasingly complex, impersonal, and diffuse, the logic of this point strengthens.) Commercial transactions, of course, do sometimes give rise to real relationships and friendships, which then provide an opportunity for interacting in a more personal and beneficent mode. Smith tells us that "colleagues in office, partners in trade, call one another brothers; and frequently feel towards one another as if they really were so" (*TMS VI.ii.1.15*). But before such relationships develop, prudent self-love within the rules of

<sup>23</sup> On Smith's account, note that the concept of "family" is not solely a biological one. Our intimacy and affection—outside of the very strong natural benevolence that parents feel towards their children—are functions of shared experience and contextual knowledge, not genetic makeup. "Brothers and sisters, when they have been educated in distant countries, are apt to feel ... a diminution of affection" (*TMS VI.ii.1.9*). The rich, multidimensional nature of Smith's account of sympathy (Forman-Barzilai 2010, pp. 135–195) is, again, why the term "focalism" is more apt than "localism." Especially in the modern world, the recipients of our affection are a series of focal points spread out across geographic space.

commutative justice (*TMS* II.ii.2.2) is a good and proper touchstone of action (see Otteson 2002, p. 183). The point serves to dignify and invigorate economic activity.

In the other direction, Smith's economic philosophy edifies and morally authorizes the ethic of focalism. Smith's discussions in *WN* about, for example, the division of labor (*WN* I.i-ii), the "higgling and bargaining" dynamics of the price system (*WN* I.v.4; I.vii), and the coordinating function of speculation (*WN* IV.v.b.3) illustrate how tending to our "humble departments" of self-love and focal beneficence furthers what the universally benevolent Impartial Spectator approves of.<sup>24</sup> Such a reading finds support in the language and overtones of universal benevolence in the first few chapters of *WN* (cf. Young 1997, pp. 49–52). Smith emphasizes his concern with "that *universal* opulence which extends itself to the lowest ranks of people" (*WN* I.i.10; italics added). In sketching the elaborate network of exchanges that underpin the production of the woolen coat, he speaks of the "assistance and cooperation of many thousands" (*WN* I.i.11). Again, in chapter 2 he says that "in civilized society [man] stands at all times in need of the cooperation and assistance of great multitudes, while his whole life is scarce sufficient to gain the friendship of a few persons" (*WN* I.ii.2). He speaks twice of our "common stock" of goods and services, writing that "different produces of ... respective talents, by the general disposition to truck, barter, and exchange, [are] brought into a common stock, where every man may purchase whatever part of the produce of other man's talents he has occasion for" (*WN* I.ii.5). Through the division of labor, the accomodation of "an industrious and frugal [British] peasant ... exceeds that of many an African king" (*WN* I.i.11).

Smith's economic philosophy helps frame the ethic of focalism as a kind of "co-operat[ion] with the Deity" in serving the common good (*TMS* III.5.7).<sup>25</sup> It shows in greater detail how "God" cares for "the universal happiness of all rational and sensible beings" through our own ordinary activities (*TMS* VI.ii.3.6). Commerce facilitates "the cooperation ... of great multitudes" (*WN* I.ii.2). What does such "cooperation" actually entail? When I purchase a woolen coat, the only person with whom I literally "cooperate" is the store clerk—the word "cooperation" implies a meeting of minds and a joint purpose (Klein 2018, pp. 60–61). But my purchase can be sustained as "cooperative" in a wider sense—the sense in which economists often speak of exchange and even competition as cooperative (e.g., Rubin 2019)—on the assumption of a beholder of social affairs whose mind I meet and who approves of my purchase (Klein 2012, pp. 213–239). When Smith speaks of "the cooperation of many thousands" (*WN* I.i.11), he may be read as tacitly invoking such a beholder (God or the Impartial Spectator). The Impartial Spectator approves of my purchase of the woolen coat in large part because she observes the complex network of production and exchange to which that purchase contributes—a network that no human observer can comprehend.

<sup>24</sup> For general overviews on key ideas in Smith's economics, see Otteson (2002, pp.173–181) and Fleischacker (2004, pp. 123–142). For a more technical discussion, see Hollander (1973). On the extension of the division of labor, see Stigler (1951). For discussion of the pursuit of wealth in relation to human happiness in Smith, see Matson (2021a) and Rasmussen (2006).

<sup>25</sup> We find a similar perspective in Joseph Butler's pastoral teachings: "In proportion as men make [a prudent and charitable use of their riches], they imitate Almighty God; and co-operate together with him in promoting the happiness of the world" (Butler 1749, p. 240).

The interrelations between focalism and political economy inform Smith's recommendations in public policy. Smith champions the "liberal plan" of "equality, liberty, and justice," in which "every man [can] pursue his own interest his own way" (*WN* IV. ix.3), and under which "the sovereign is completely discharged from ... the duty of superintending the industry of private people" (*WN* IV. ix.51). The liberal plan encourages liberalization—the removal of barriers to market entry, export restrictions, subsidies, occupational licensing requirements, the lifting of restrictions on labor mobility, and the repealing of government-granted monopoly privilege: "Let the same natural liberty of exercising what species of industry they please be restored to all his majesty's subjects" (*WN* IV. ii.42).

The interpretation about the bidirectional relation between focalism and political economy lends itself to a theological reading. Such a reading finds support in Smith's remarks in *TMS* VI about God and the wisdom of nature (*TMS* VI. ii.3.6; VI. ii.2.4). It also, of course, sits well with a theological reading of "the invisible hand" (e.g., Oslington 2012). Smith's authorization of focalism and its connection with his political economy seems to move within familiar eighteenth-century theological categories of Augustinianism (Waterman 2002), Calvinism, and British natural theology (Oslington 2012). It connects to Stoic and Christian Stoic ideas in Hutcheson and Butler, ideas relating to the language of universal benevolence. More conventional theological readings are quite plausible (Kleer 2000; Hill 2001; Oslington 2011; Viner 1927, 1977).

But one might also sustain an allegorical-theological reading of Smith and come to similar interpretations (Klein 2012, pp. 213–239; Klein, Matson, and Doran 2018). Edwin Cannan, in his Presidential Address to the British Association in 1902, seems to have put forth such an interpretation when he said, along Smithian lines, that "the reason why it pays to do the right thing—to do nearly what an omniscient and omnipotent benevolent Inca would order to be done—are to be looked for in the laws of value" (Cannan 1902, p. 461). In the same address he speaks to the beauty of free enterprise by invoking the perspective of "an economist in Mars" with a "mammoth telescope" (p. 461). It is only a being with such celestial perspective who could properly behold the extended concatenation of the global economy.

## VI. THE LIMITS OF FOCALISM

Jacob Viner (1927) emphasizes differences between *TMS* and *WN*. Whereas *TMS* proceeds on the basis of sweeping philosophical and theological generalizations, *WN* deploys on-the-ground fact gathering and a cautious empiricism. The "unqualified doctrine of a harmonious order of nature" in *TMS* is very frequently qualified in *WN* (Viner 1927, p. 206). One issue with Viner's interpretation is that *TMS* was edited several times after the initial publication of *WN*, with the last edition, which involved by far the most extensive revisions, appearing in 1790.<sup>26</sup> Viner writes off the problem by asserting that by 1790 Smith "had lost the capacity to make drastic changes in his

<sup>26</sup> There are other issues with Viner's interpretation. Coase (1976) argues that Smith's method in *TMS* is much less orthodox than it appears. In a different vein, Brubaker (2006) argues that the doctrine of natural harmony in *TMS* is more apparent than real.

philosophy, but had retained his capacity to overlook the absence of complete coordination and unity in that philosophy” (p. 217).<sup>27</sup> Viner’s claim about Smith’s declining intellectual ability at the end of his life is, I think, quite mistaken (see Hanley 2009). But his point usefully raises the question: How far does focalism extend?

Within the system of natural liberty there is room for government action. There are instances where individual pursuits, especially when those pursuits stray outside the bounds of prudence and propriety, evidently call for government action. These interventions, however, bear the burden of proof:

[A] burden-of-proof argument suffuses Smith’s writing in political economy; the state may intervene in all sorts of ways, but those who would have it do so are required to show why it should in this particular instance, for how long, in precisely what fashion, and how its intervention will escape the usual dangers of creating entrenched interest groups and self-perpetuating monopolies. (Griswold 1999, p. 295)

At a domestic level, many of the interventions that Smith allows, for instance in schooling and infrastructure, are local, community-level interventions that capitalize on local and contextual knowledge. In schooling, roads, canals, and bridges, for example, Smith supports local solutions, like user fees, which would reduce knowledge problems that exist with higher-level policies (Mueller 2021). Smith emphasizes the importance of the decentralization of power (Paganelli 2006). In politics, that decentralization means granting local communities the authority to decide when circumstances warrant more top-down, concerted effort for the common good. Decentralization would therefore seem to be a natural concomitant of focalism: in instances where some government action is required, it ought to be carried out, as much as possible, at a local or regional level.

What about in the context of international political economy? It was largely in that context that Smith sought to reform British practice.<sup>28</sup> To a large extent the principles of focalism support a regime of free trade. The policy sphere of international relations, like that of domestic ones, should largely leave individuals free to do as they see fit. Thinking along these lines in the context of international political economy, Jeremy Bentham (1843) wrote of “the work of Adam Smith [as] a treatise upon universal benevolence” in which “the nations are associates and not rivals in the grand social enterprise” (p. 563; cf. Forman-Barzilai 2010, p. 41).

Yet international political economy does provide a challenge, a potential set of exceptions, for focalism in Smith. International economic policy in eighteenth-century Europe was formulated out of political ambitions for glory and military domination. Such desires facilitated zero-sum instead of reciprocal perspectives on trade. In his famous essay Hume dubbed these perspectives “The Jealousy of Trade” (Hume [1758] 1994). Smith, along with Hume, worked to disentangle economic policy from the jealousy of trade, and show, as Bentham pointed out, how free trade furthered mutually beneficial economic developments. Istvan Hont writes that “the *Wealth of Nations* was

<sup>27</sup> For an interpretation of the sixth edition of *TMS* as a separate center of authority, along with the first edition of *TMS* and *WN*, in Smith’s corpus, see Dickey (1986).

<sup>28</sup> Viner (1927, p. 213) helpfully catalogs four main areas of reform advocated in *WN*: free choice in occupation, free trade in land, free internal trade, and free trade in commerce “through the abolition of the duties, bounties, and prohibitions of the mercantilistic regime.”

designed to destroy jealousy of trade” (Hont 2005, p. 75). Smith and Hume together worked to show how the nations could pursue constructive emulation and cooperation rather than envy and competition for empire. Smith and Hume worked towards a unilateral regime of free trade in Britain, although they recognized that the expectation that “freedom of trade should ever be entirely restored in Great Britain, is as absurd as to expect that an Oceana or Utopia should ever be established in it” (*WN* IV.ii.42).

But given the political and military climate of the eighteenth century (the War of Spanish Succession, the Jacobite risings, the Seven Years War, etc.), and given the fact that nations *were* jealous (*WN* IV.iii.c.9) and would seek to opportunistically take advantage of one another through military force, Smith saw the importance of protecting the sovereignty and security of the nation-state, even sometimes at the expense of free trade. Free trade would not necessarily function, in Smith’s mind, as a guarantor of peace (Paganelli and Schumacher 2019). It is along such lines that he seems to support the English Navigation Acts, for instance, which were “not favourable to foreign commerce, or to the growth of that opulence which can arise from it” (*WN* IV.ii.10). He claims that although the Acts originated from wrong-headed national prejudice, they were “as wise ... as if they had all been dictated by the most deliberate wisdom” (*WN* IV.ii.9). Smith saw that focalism and its corresponding system of natural liberty “works best within national political units,” and that those units required, given the reality and complexities of international political economy, political leadership and some limitations of freedom for the common good of the nation (Hont 2005, p. 125).

There are some instances when the common good of an individual polity appears to exist in tension with the wider common good. But, by and large, Smith argues, there is a correspondence between the good of any individual polity and the good of the whole of humankind: “Each nation ought, not only to endeavour itself to excel, but from the love of mankind, to promote, instead of obstructing the excellence of its neighbours” (*TMS* VI.ii.2.3)

## VII. CONCLUDING REMARKS

Smith saw that the art of public policy should be informed by the science of political economy. The science of political economy recommends the liberal plan of “equality, liberty, and justice,” in which “every man [can] pursue his own interest his own way” (*WN* IV.ix.3). *WN* expresses the sensibilities favoring that plan. Conjoined with the ethic of focalism, the elaboration of the liberal plan suggests how we can effectively serve the common good. On a theological reading, focalism and the insights of political economy point towards how we can cooperate with God in furthering “the happiness and perfection of the species” (*TMS* II.iii.3.2). We are often “led by an invisible hand to promote [ends] which [are] no part of [our] intention” (*WN* IV.ii.9). In showing us *how* we are often led by an invisible hand across his works, Smith “encourage[s] us to act in a certain manner” (Griswold 1999, p. 49; see also Matson 2021a). He encourages us to shift our focus away from the abstract whole of humankind and towards the part that we occupy, with a subsidiarity awareness that in doing so, we cooperate with the divine in serving the good of the larger whole.

Even if one views the theological elements as metaphorical in Smith, a blend of “irony and encomium” (Haakonssen 1981, p. 91), they nonetheless paint a vision of how our individual commercial activities and acts of focal beneficence—and prudence—can weave together into a grand cooperative enterprise. Such a perspective still gives us a way of seeing Smith’s project across his two great works as of a piece, united under a heading of universal benevolence. Smith’s discourse sought to promote a set of moral understandings and liberal rules of government that further what the Impartial Spectator approves of—the common good and happiness of humankind.

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