

Contingency, Liberty, and Patience as a Political Virtue: Smith's Crucial Insight

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This present discussion focuses on the intersection of some issues in moral psychology and some normative issues. It explicates how and why patience can be crucial to the preservation of a liberal political order. In particular, I want to ground the significance of patience as a political virtue in insights and arguments in Smith's *The Theory of Moral Sentiments* and *The Wealth of Nations*—insights and arguments that are mutually reinforcing.

Patience seems not to be much discussed in the recent, rapidly growing literature on virtue-centered ethical theorizing. Actually, there are several respects in which it could be a significant and interesting virtue. As a religious virtue patience is mainly a matter of trust in God and God's promises. In faith-traditions in which providence and redemption are important elements, patience concerns a combination of faith *in* providence and the willingness to wait upon the fulfillment of God's promises. As an intellectual virtue patience mainly concerns the willingness to withhold judgment until evidence and reflection can ground judgment soundly. That is an important aspect of intellectual responsibility, registering awareness of the extent to which one's understanding is incomplete, or the fact that one's evidence is fragmentary, or that explanation is inadequate, and so forth. The present discussion considers the moral psychology of patience in the political context.

I

Matters of moral psychology are often overlooked in the treatment of politics. Yet, whatever principles of political order one endorses, and whatever one's ideals, the realization of that order and the actualization of ideals depends upon people having certain dispositions—certain attitudes, perspectives, characteristic patterns of motivation, ways of regarding considerations as reasons for action, and so forth. At least that is true in an order in which the values and principles shaping it concern the rights and liberties of individuals. Without certain widely shared dispositions it would be very easy for the state to encroach on rights and liberties, and very easy for factional interests to become politically strong enough to distract people from commitment to basic, common rights and liberties and the rule of law. Smith saw how the emerging modern world was pregnant with significant possibilities for liberty and how important people's dispositions are to the liberal order. He also saw the role of the market in the liberal order and civil society. The remaining discussion elaborates on some of his insights, especially concerning the relation between liberty, the market, contingency, and prudence.

Smith's profundity concerns in part, in his grasp of the intersection between contingency, prudence, and the modes of reasoning and interaction distinctive of the market. The moral-psychological insights of the *Wealth of Nations* are often overlooked (or badly

misunderstood) and they are among its most illuminating and striking content. It is not much of an overstatement to say that Smith grasped some of the key features of the modern world well before it was widely realized that it differed significantly from what preceded it. Smith not only limned the contours of an emerging economic dynamic, he also saw what this meant for the character of civil society and the participants in it. The *Wealth of Nations* and *The Theory of Moral Sentiments* jointly constitute an extraordinary conception of the ways in which a world now conceived without a fixed order is nevertheless economically and morally coherent. Also, while it is a world in which the order it exhibits results from the dynamic of a huge number of contingent events, (individual actions and their results) those events can be understood as occurring in a sphere of activity shaped by rational agents acting with a view to their interests. That is, it is a sphere of liberty under the rule of law. We will see the relevance of patience to this shortly.

The market is important to liberty because of how it accelerates and multiplies kinds of interaction. That, in turn, can motivate innovation and problem-solving, and energize imagination. Of course, it can also contribute to a social world in which there is envy, anxious competition, and formal and informal contests for political influence. But that is hardly unique to the market or an inevitable consequence of it. It would be a mistake to focus too exclusively on either the positive or the negative. But because of the market's relation to the character of civil society in general, it can encourage habits of initiative in many different contexts, not just in commerce and industry. There are more contexts in which people can act on the basis of their own decisions and judgments about what is desirable and what is worthwhile. There are more opportunities for the education of prudence and for the appreciation of it. This is not only gratifying to the agent. It is also an important basis for respecting others and for a civil society in which trust is valued.

While *The Wealth of Nations* largely concerns certain fundamental dispositions of human behavior and their overall results in economic terms, and *The Theory of Moral Sentiments* largely concerns the basis and character of moral judgment, there is an important connection between them through considerations of moral psychology. *The Wealth of Nations* explicated what sorts of differences are made at the social level by the ways that individuals behave without intending that those specific results should be brought about. *The Theory of Moral Sentiments* explicated how morality could have a naturalistic basis—how moral objectivity can be explicated in terms of sentiments and the imagination. That is a quite remarkable project, and the two projects are related in important ways.

I think that it is fair to say that Smith saw that through the sorts of interactions made possible by commerce, industry, and the various activities constitutive of a market economy and the civil society it supports we are enabled to more fully acknowledge and appreciate others as participants in a common moral world. In so seeing them, we are better able to genuinely include them within the scope of moral imagination. There are more ways in which to see the relevance of considerations of desert, accountability, and responsibility as people are more extensively acknowledged as agents. This is because practical reason is educated by coming to grips with contingency and fortune.

Whether or not one finds Smith's moral theory compelling, it is notable that he had an explanatory conception of the human world and basic forms of human relations that took contingency seriously and dispensed with metaphysical requirements to underwrite the intelligibility of the social and moral order. He saw that through a complex interaction of individual actions with highly 'local' intentions, human beings establish a complex economic, social world that had certain regular features but was not itself the product of design. And he gave an account of how morality could nonetheless fully apply and be genuinely effective in that un-designed order, fraught with contingency. By relating the theses of *The Theory of Moral Sentiments* to those of *The Wealth of Nations* we find an account of how appreciating others as self-determining agents depends upon the kinds of activities that the market allows, enables, and encourages. That, in turn, is crucial to strengthening moral imagination, to seeing others as participants with us in a common moral world, and to how we see ourselves in a social world in which mutual acknowledgment as agents is vitally important. Smith saw how the emerging economic and social world was making a difference to individuals' self-conceptions, and in ways congenial to liberty.

The market and the complex, dynamic civil society supported by it create and sustain conditions for individuals to more fully *become* agents and to interact with others *as* agents. That is a crucial respect in which—as Smith, I think, saw—the market can actually educate moral imagination. He wrote: “Our sensibility to the feelings of others, so far from being inconsistent with the manhood of self-command, is the very principle upon which that manhood is founded.”¹

The man of the most perfect virtue, the man whom we naturally love and revere the most, is he who joins, to the most perfect command of his own original and selfish feelings, the most exquisite sensibility both to the original and sympathetic feelings of others. The man who, to all the soft, the amiable, and the gentle virtues, joins the great, the awful, and the respectable, must surely be the natural and proper object of our highest love and admiration.²

Smith also held that the “sacred regard” to the life and the property of others is “the foundation of justice and humanity.”³ Life in a liberal polity with the market provides extensive experience of the sort that is a basis for agents to acquire the virtues of self-command and sympathy (in the more, rather than less, morally complex sense of sympathy). There is nothing automatic about this. Nor am I arguing that those virtues can *only* be acquired in that sort of social world. But Smith was right to see that that kind of social world is particularly apt to value the acquisition of prudential self-command, and it is also a world in which the multiple and diverse interactions people have with each other can be especially conducive to that complex kind of sympathy.

Our concern to obtain the respect of our fellow men is very powerful. It is a crucial element in attaining merited self-respect, and there is considerable gratification in being

held in high regard by others. Smith wrote:

The desire of becoming the proper objects of this respect, of deserving and obtaining this credit and rank among our equals, is, perhaps, the strongest of all our desires, and our anxiety to obtain the advantages of fortune is accordingly much more excited and irritated by this desire, than by that of supplying all the necessities and conveniencies of the body, which are always very easily supplied.⁴

And, “Our rank and credit among our equals, too, depend very much upon, what, perhaps, a virtuous man would wish them to depend entirely, our character and conduct, or upon the confidence, esteem, and good-will, which these naturally excite in the people we live with.”⁵ Actions and interactions are the basis of our standing with others and are thereby a basis of our self-regard. Prudence and self-command have a key role in this and are both valued and encouraged in a complex, dynamic civil society and the market that underlies it. Through participation in them, they can be intensive ‘schools’ of practical rationality.

Participation in civil society and the market can be crucial to developing a sense of moral responsibility to others and to regarding others as rational agents with interests and concerns much like one’s own. It is difficult to see how the virtue of prudence can be acquired *unless* one’s activities make demands and offer challenges to practical reasoning, imagination, attention, resolve, and other capacities and skills. It is not as though a sound sense of what is worth doing, good judgment, and a capacity for deliberative excellence can be learned or imparted ‘on their own,’ without engaging the complexities and contingencies of actual circumstances where matters of genuine importance are at issue. Civil society and the market can multiply opportunities for emulation, and examples of excellence attained by effort and initiative.

Moral education, in the sense of the most general cultivation of practical rationality, is most fully available in an open and diverse civil society, with wide scope for voluntariness; that is, in a liberal political order. In it we are best able to learn prudence and attain the regard of others on the basis of morally estimable acts and qualities. The market does not ensure that virtue is rewarded with prosperity, and ill-desert with unhappiness. Indeed, an important part of moral education is that people should come to see that *nothing* in the natural and social world ensures that. But participation in the market involves learning responsibility, initiative, and energetic self-determination. It can do this at the same time that it is understood that our lives are fraught with contingency, and unintended consequences.

The vagaries of contingency can help people learn how to respond to unanticipated developments and help them acquire skills and abilities, as well as affective maturity and realistic conceptions of justice. An appreciation of contingency can be part of the appreciation of liberty. Contingency is also a condition for the genuineness of deliberation, and deliberative competence is necessary for prudence. It can also be an

important part of an education in coping with disappointment and realizing that it is not morally sane to think that one can be immune from frustrated desires and from disappointment.

II

With this background we can direct attention now to the political aspects of patience. One way to approach the issue of patience as a political virtue is to consider the consequences of *impatience* and the ways in which it can be costly to both liberty and the rule of law. Impatience can lead to two things in particular, which are inimical to liberty and the rule of law. One of them what I shall call the ‘rush to policy’—an insistence on swift results rather than allowing the ‘metabolism’ of civil society time to address the matter in question. The other, which is in some ways related to the rush to policy, is the multiplication of entitlements. Smith’s thought provides a basis for insights into the dangers of both of these in ways that will be noted below.

Politically, fear of contingency is an important motive for impatience, and impatience is an important motive for the rush to policy. Policy is often intended to ensure certain outcomes and to protect against the effects of fortune. Because the fear of contingency can arise for any group in a society it is not difficult to generate a culture of competitive entitlement, in which different groups seek to gain advantage through policy and those seeking to represent them portray themselves as effective, loyal promoters of groups’ interests. While this may bring benefits to various groups, it corrupts the political process in ways that distract attention from the actual costs both economically and in terms of liberty. The coercive power of the state (through taxation) must be deployed to meet those costs. When seeking advantage through policy and entitlement becomes a habit of politics, the loss of liberty may go barely noticed, since so much attention is shifted to the competition to attain advantage, and office-seekers begin to think of securing such advantage for constituencies as a primary responsibility of office. Law looks increasingly like a tool for political and economic advantage rather than the way in which the contours of liberty are delineated and protected. The detrimental effects on trust are significant and evident, and cynicism replaces trust in a vicious spiral of reinforcement.

Often, the rush to policy involves the insistence that there should be policy for *everything*—that unless government is strongly activist, formulating policy for all manner of issues and concerns, it is failing to fulfill its responsibilities. When government activism is regarded as a virtue, it is easy to make a case for policy to be imposed in more and more departments of life and activity. It is easy to enlarge people’s expectations so that their notion of what it is to govern becomes an essentially activist notion according to which policy is understood in terms of expected results or achievement. This is quite different from thinking of government largely in terms of protecting rights and liberties and upholding the rule of law so that people are protected from harm and have confidence in the scope and manner of the exercise of state power. When people’s expectations of government become increasingly activist and result-oriented, it is easy to lose sight of, the distinction between *regulation* and the active *management* of affairs, with costs to liberty as well as the economy. This was true in Smith’s time and is no less

true in ours.

The rush to policy and its associated dispositions (both on the part of the governing and the governed) can lead to confusion between *the rule of law*, on the one hand, and having *legislation* with regard to more and more matters, on the other. The notion of the rule of law is complex and contested, and I do not claim to have an adequate, well-defined conception addressing all of its most important aspects. There are difficult questions concerning the nature and relation of both the formal and substantive aspects of law. There are important questions concerning the extra-legal considerations to which law should be responsive, and just what sort of authority and scope those extra-legal considerations should have politically. These are matters concerning the extent to which, and the ways in which, the law is to enforce morality. On the one hand, liberalism is austere with respect to *legal moralism*; the liberal polity is to protect a greater rather than lesser sphere of the moral independence of individuals. On the other hand, because a liberal polity reflects commitment to certain values and principles, it depends upon the stability of widely shared commitments concerning values and principles. Even the notion that the state should strive to be neutral with respect to supporting or imposing conceptions of good, is itself a normatively substantive notion.

Despite the fact that fundamental aspects of the rule of law remain contested, it is fair to say that in a liberal polity it is crucial that there should be widely shared rational endorsement of the laws and the values underlying them. It is important that those subject to the law regard the law as justified and regard it as reflecting values and principles they accept. There will almost inevitably be a measure of disagreement and dissatisfaction but part of what it is to be a liberal polity is to tolerate a measure of political friction and to address it in ways that do not involve extra-legal force and violations of commonly agreed procedures. In a successful liberal polity, instead of different sectional or factional interests 'taking turns' governing, governance accommodates the disagreement between different constituencies without political disintegration, and governance reflects compromise.

However, when law is thought of in terms of what is to be achieved by legislation rather than in terms of what law permits, the interest in freedom is diminished. It is not surprising, then, that 'business' of government shifts in the direction of the multiplication of entitlements and the satisfaction of factional interests. Governance will be seen increasingly as an opportunity to pursue specific agendas rather than as administration of common interests. When there are sharp disagreements between groups and constituencies, that opportunity is especially valuable as a means whereby ends and interests that are *not* commonly shared can be advanced, at the expense of the public treasury and individual liberty. This, in turn, aggravates the friction between interests and constituencies in ways that lead people to think of governance and administration as a means to securing results. One of the main ways in which that is problematic is that the rule of law in a liberal polity depends, in significant respects, on trust.

A combination of agreement on (at least some) fundamental values and norms reflected in the law is crucial, as is the willingness to stay within the law and also confidence that

others will act within it without using the law as an instrument of seeking advantage. The transition from republican Rome to imperial Rome to tyrannical Rome is an important example of how power-seekers regarded the state and state power as a trophy. Civil administration was seen less and less as a public service and more and more as a weapon to use against political enemies and a means to promoting factional interests—often, personal ones. This also involved shameful exploitation of the public treasury as though the economic capacity of Rome was the property of those in power. When politics undermines trust in that way the rule of law is undone and, in particular, the liberal polity is seriously threatened.

An important factor that motivates impatience and encourages the tendency toward multiplying entitlements is the fact that government is often able to mobilize resources swiftly and control their deployment. This is not something that depends upon the internal combustion engine or telecommunications and other modern developments though those things dramatically increase governments' abilities to mobilize and deploy resources. (Long ago, Athens and Rome were able to do this in some remarkable ways.) On the part of many people the availability of centralized power motivates impatience and reinforces the notion that it is appropriate for the state to exercise (and augment) its ability to achieve (what are alleged to be) desirable results.

When the focus of attention in political life is biased in the direction of policy and outcomes, the effect on the participants in that political community can be unhealthy, diminishing opportunities to cultivate and exercise prudence, and subtly undermining trust and mutual respect. Trust is necessary in order for people to participate in a liberal civic world, and that participation can reinforce trust and the appreciation of it. This is not historically or morally inevitable but it should be taken seriously as part of the moral psychology of political life.

Life in a liberal polity provides a great many occasions for people to act and interact as agents, and thus, to regard each other as agents. This can enlarge the grounds they have for *respecting* each other as rational agents. This spontaneous order of virtuous mutual reinforcement can be seriously disturbed by large-scale designs of intervention by policy. Smith's "man of system," the person who wants to impose an abstract scheme, is someone who claims that policy follows from general principle, where the principles are intended to determine results. This disposition, he notes, is often found in conjunction with factionalism, the 'system' being the plan that purportedly will set things right. Smith wrote:

The leaders of the discontented party seldom fail to hold out some plausible plan of reformation which, they pretend, will not only remove the inconveniencies and relieve the distresses immediately complained of, but will prevent, in all time coming, any return of the like inconveniencies and distresses.⁶

And:

The great body of the party are commonly intoxicated with the imaginary beauty of this ideal system, of which they have no experience, but which has been represented to them in all the most dazzling colours in which the eloquence of their leaders could paint it.⁷

The leaders become “dupes of their own sophistry and are as eager for this great reformation as the weakest and foolishhest of their followers.”⁸ In a significant failure of imagination the “man of system” seems to imagine that “he can arrange the different members of a great society with as much ease as the hand arranges the different pieces upon a chess-board.”⁹ He does not see that others have their own “principle of motion” and that there is the risk of disorder as well as a near certainty of opposition to the plan and resistance to the political arrogance so often fueling the determination to impose it. The “man of system” may come to regard liberty as suspect because the scope for liberty is also scope for contingency.

Smith wrote, “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.”¹⁰ In our more democratic age we might have objections to Smith’s view of the character and importance of the “distinction of ranks.”¹¹ He argued that, “Nature has wisely judged that the distinction of ranks, the peace and order of society, would rest more securely upon the plain and palpable difference of birth and fortune, than upon the invisible and often uncertain difference of wisdom and virtue.”¹² Nonetheless, we can still see the wisdom of Smith’s understanding of how and why grand and systematic projects of social reformation become unjust, harmful doctrines claiming to rationalize increasing coercion.

Moreover, even when people are not promoting a ‘system’ they often associate in order to pursue factional interests. This is true of people in business as well as legislators. Smith remarked that the former often engage in a “conspiracy against the publick”¹³ and he used the following language to describe the latter... “that insidious and crafty animal, vulgarly called a statesman or politician”.¹⁴ Smith was skeptical in regard to groups claiming to have organized themselves and to have formulated plans and policies in order to promote the public good. However, the activities and aspirations of many people not claiming to promote the public good, actually does so, and on a striking scale.

A revolution of the greatest importance to the publick happiness, was in this manner brought about by two different orders of people, who had not the least intention to serve the publick. To gratify the most childish vanity was the sole motive of the great proprietors. The merchants and artificers, much less ridiculous, acted merely from a view to their own interest, and in pursuit of their own pedlar principle of turning a

penny wherever a penny was to be got. Neither of them had either knowledge or foresight of that great revolution which the folly of the one, and the industry of the other, was gradually bringing about.¹⁵

Smith saw that people's actions and intentions are more likely to realize good for themselves and for society if people can acquire the moral education and prudence that come from unplanned, we might say "unsystematized" interaction, as individuals fashioning and pursuing their own ends and interests. Though agents are pursuing their own interests in economic activity, that activity, if undertaken in an order largely free from impediment and undistorted by monopoly and privilege, conduces to the development of prudence and even sympathy, moral awareness of others and attention to them.

At least, it *can* do that, and it is not true that the 'natural' tendency is to encourage selfishness and callousness. There are respects in which certain principles can explain the general patterns of an economic and social world even if agents are not deliberately acting on principles. In fact, it is often the case that when people intentionally act with a view to realizing systematic designs and principles, they cause considerable harm and disturbance to the order that did not depend upon design. The fact that individuals are not striving to actualize a system is not, on its own, a ground for concluding that their actions are normatively unguided or that systemic good cannot be achieved.

In fact, participation in the market can encourage the development of civic virtue. Charles Griswold explicates part of Smith's view as follows:

Commerce and trade may contribute significantly to habits and experiences of sympathy between spectators and actors, and thus to the "harmony of society" (I.i.4.7). We ought not to be surprised, then, by Smith's claim that economic interdependence within the framework of liberty, justice, and competition, mediated by processes of persuasion, encourages the virtues of mutual accommodation and responsiveness (e.g., honesty, trustworthiness, reliability, frugality, punctuality, prudence, abstention from the use of force; (298)...Self-command, learned in the "great school of the "bustle and business of the world," may also be expected (III.3.25).¹⁶

It is a crucial part of Smith's moral psychology that we have a concern to be regarded with admiration by others. How we are seen and regarded is vitally important to our self-conceptions. It is not enough to merely appear admirable; we are concerned with merit and not just appearances, with character and not just reputation. Thus, he held, "To be amiable and to be meritorious; that is, to deserve love and to deserve reward, are the great characters of virtue; and to be odious and punishable, of vice."¹⁷ And

Emulation, the anxious desire that we ourselves should excel, is originally founded in our admiration of the excellence of others. Neither can we be satisfied with being merely admired for what other people are admired. We must at least believe ourselves to be admirable for \ what they are admirable. But, in order to attain this satisfaction, we must become the impartial spectators of our own character and conduct. We must endeavour to view them with the eyes of other people, or as other people are likely to view them. When seen in this light, if they appear to us as we wish, we are happy and contented.¹⁸

We care about our own prosperity and interests, *and* we care about being esteemed by others. The person with no regard for the latter would not only almost surely be a quite unlovable character, he would also suffer from self-imposed impediments to developing virtue. The key upshot of these elements of Smith's view is that the market, as a basic economic arrangement, not only brings with it significant economic benefits but it can also promote qualities of character that make for a healthy, harmonious social world.

Smith has an answer—one that is based on fundamental features of his moral psychology—to the familiar refrain that participation in the market stunts character, encourages egoism, and coarsens moral sensibility. He wrote:

And as we cannot always be satisfied merely with being admired, unless we can at the same time persuade ourselves that we are in some degree really worthy of admiration; so we cannot always be satisfied merely with being believed, unless we are at the same time conscious that we are really worthy of belief.¹⁹

The desire of being believed, the desire of persuading, of leading and directing other people, seems to be one of the strongest of all our natural desires. It is, perhaps, the instinct upon which is founded the faculty of speech, the characteristical faculty of human nature.²⁰

“Frankness and openness conciliate confidence. We trust the man who seems willing to trust us.”²¹ In one of the dozen or more passages in *The Theory of Moral Sentiments* in which Smith alludes to hearts “beating in time” or “keeping time,” or minds being in harmony, he says, “the great pleasure of conversation and society, besides, arises from a certain correspondence of sentiments and opinions, from a certain harmony of minds, which like so many musical instruments coincide and keep time with one another.”²² “To tell a man that he lies, is of all affronts the most mortal.”²³ Trust is crucial to the social world and it is just a mistake to insist that participation in the market encourages or rewards dishonesty and deception. Of course, human beings being what they are, dishonesty will be over-supplied in a liberal polity with the market as its economic

arrangement—just as it will be over-supplied in *any* arrangement including human beings.

Far from dishonesty being highly valued in that social-economic order, it is likely to be regarded as both ugly and disreputable. There are basic ways in which it is incompatible with the dispositions needed for succeeding in the market. Commenting on Smith's understanding of the importance of trust Griswold writes, "The desire to be trusted is the visible face of our secret consciousness that outside of human society we are nothing and that trust is earned by being trustworthy. Smith implies that this virtue of trustworthiness is a characteristic of properly structured free commercial societies."²⁴

The desire to be esteemed by others cannot be fulfilled by the 'defeat' of others in the sense of simply becoming more prosperous than they or showing off the accoutrements of prosperity. Economic activity in the market involves competition but it is not an economic version of 'war of all against all.' There can be a great deal of competition without contest. In Smith's view, not only is the well-ordered development of the moral sentiments not in conflict with the dispositions appropriate to commerce, trade, and the diverse modes of participation in the market, the latter can be conducive to the former, and then, the former supports the latter.

It is true that, generally, one's participation in the market is shaped by one's notion of economic interest, and that is typically a matter of participating in ways intended to best serve one's advantage. But it is just a *non sequitur* to conclude that participants in the market limit the horizon of their practical rationality to self-interest. For one thing, not all of the interests of the self are narrowly selfish. One might have an interest in seeking economic advantage because of one's concern for other things, which might include provision for loved ones, broader educational and life-experience opportunities, philanthropic commitments, and even just a generalized sense that it is important to improve upon one's lot and not waste what one has or leave it to languish (whether this concerns economic assets or one's abilities and skills). A great many people do not have the resources about which to have such thoughts; they are preoccupied with 'getting by.' Even that, though, is a perfectly rational focus for self-interest and need not be selfish in a morally discreditable way.

There is the risk that the market will extend into more and more areas of life, and that practical rationality will be understood increasingly in economic terms. But whether that happens depends upon *other* features of the social world. It is not as though the market has an intrinsic, inexorable tendency to assimilate all other aspects of life and reduce them to narrow economic terms of cost and benefit, with cost and benefit interpreted egoistically. To be sure, the market can affect perspectives and motivation powerfully. It would be naïve and mistaken to deny that.²⁵ However, it would be equally mistaken to regard the market as having the tendency to diminish human capacities for voluntary action in more radical and profound ways than other forms of economic life. It may be true that in certain conditions the market aggravates envy, conspicuous consumption, waste, and other undesirable attitudes and practices. It may also be true that command economies are much less responsive to aspects of consumer preference, response to

which would significantly improve the quality of peoples' lives. Also, in command economies there is little encouragement to initiative, imagination, and various forms of voluntary collaboration and cooperation, and in those ways command economies restrict the scope for self-determination.

What is chiefly important in the present discussion is that the moral psychology of the market, the sorts of dispositions it encourages and the kinds of attention and habits of practical rationality needed to succeed in it, can be an important support for a liberal political order. Rational self-determination is needed for both the market and for a liberal order. The realized capacities for rational self-determination are also developed and trained by participation in the market and civil life in a liberal political order. There are various forms of corruption of character to guard against—corruptions that are fueled by various aspects of participation and competition in a market economy. But they are not necessary consequences of the market, and they are not requirements for succeeding in it.

III

One way in which the dispositions needed for participation in the market and those needed for the liberal polity are complementary is that, in both cases, agents need to be willing to lead their lives in ways that involve a considerable degree of contingency. They must be willing to lead lives in a social world that is not administered in ways intended to bring about certain end-states to such an extent that the self-determination of individuals is significantly diminished. They must also be willing to live in ways that can dissolve traditional practices, forms of association, and statuses in several respects. The market is not necessarily antithetical to tradition but the market has great potential for establishing new relations and for welcoming innovation and dynamism in ways that affect many departments of life. In that way it can challenge tradition-bound perspectives and practices. However, the market can strengthen attachment to the values that are important to sustaining a liberal polity. Attachment to those values reflects willingness to not regard the contingency and unpredictability of the liberal order as problematic or threatening.

One of the themes of some of the most influential modern moral theorizing, and theorizing that has also been important to liberal political thought, is that there is a type of respect owed to rational agents just because they are rational agents and not on the basis of contingent features of them such as accomplishments, talents, or abilities. Here we will not examine the arguments for that normative claim, which concerns a certain distinct moral *status* of persons. Nonetheless, it is an important fact that respect for other persons can be a highly significant feature of a social world. Think of the difference between a social world in which there is a widely shared disposition on the part of persons to respect each other and one in which that is absent. One's entire approach to the business of living is different in those worlds. It is likely that a disposition of trust is related to respect as both a cause and an effect. The two dispositions are closely related in a braiding of mutual support—or of unraveling, as the failure of each causes the failure of the other. Moreover, there are implications for patience.

In a social and moral culture of trust and respect agents value self-determination and liberty and are more willing to seek resolutions of issues in ways that minimize impositions upon self-determination. They are more willing to be patient with what we might call the ‘spontaneous negotiations’ of the market and civil society than to insist upon state intervention. It is important to guard against naive optimism, but it is also important to guard against the assumption that the interventions of the state are *of course* more benevolent and fairer than the spontaneous negotiations of the market. There is no assurance that the reward of mutual benefit will come to those willing to eschew policy. But, given the ways in which liberty, trust, respect, prudence, civil society, and the market interact there are good prospects for preserving liberty and for achieving welcome results from the willingness to accept the order that arises from contingency. It actually provides more scope for the exercise of rationality despite being less systematic.

It is perhaps paradoxical that so much order arises from contingency that it goes unnoticed. Consider, for example, the sorts of machines that are needed to process and package food. The invention of those machines, and the design of the plants in which they operate, and the construction of the utilities needed to support the plants, the roads to serve them, and the loading docks and distribution centers through which the products are shipped to wholesalers and retailers, arriving on shelves and in freezer units in countless local stores, on an inventory-restocking basis, calibrated to respond to changes in consumer demand—all of that typically occurs as a result of how agents respond to the contingencies of the market. Those contingencies are opportunities for the exercise of reason and for fashioning relations with other agents. Some of those relations are formal, contractual relations, perhaps enduring for several years, and many are much more informal, episodic, and anonymous. The contingencies of the market are occasions that motivate innovation, enlargement of imagination, experiments with skills, projection of future needs and possibilities, and several other types of constructive exercises of thought.

The market can also be a sphere in which greed, deception, and callous disregard for the welfare and interests of others find a place but it is simply a slander that the market is uniquely or especially disreputable in those respects. Critics of the market should not breezily overlook the mindless indifference of bureaucracy, the poor quality of goods and services, and the restrictions on the mobility of labor and capital, which are often features of command economies.

Smith may have overstated the extent to which:

Every individual is continually exerting himself to find out the most advantageous employment for whatever capital he can command. It is his own advantage, indeed, and not that of the society, which he has in view. But the study of his own advantage naturally, or rather necessarily leads him to prefer that employment which is most advantageous to the society.”²⁶

He also held that:

The uniform, constant, and uninterrupted effort of every man to better his condition, the principle from which publick and national, as well as private opulence is originally derived, is frequently powerful enough to maintain the natural progress of things toward improvement, in spite both of the extravagance of government, and of the greatest errors of administration. Like the unknown principle of animal life, it frequently restores health and vigour to the constitution, in spite, not only of the disease, but of the absurd prescriptions of the doctor.²⁷

“But the principle which prompts to save, is the desire of bettering our condition, a desire which, though generally calm and dispassionate, comes with us from the womb, and never leaves us till we go into the grave.”²⁸ In these cases his claims seem unduly optimistic. The dispositions he identifies are real enough though almost certainly without the constancy (in the one case) and the innate grounding (in the other) that he ascribes to them. These are dispositions that can be encouraged and reinforced by participation in the market, but not with steady inevitability.

One respect in which Smith’s thought is realistic but perhaps in ways that might seem modestly demoralizing, is that he does not believe that extensive intervention by the state is appropriate to undo the unjust effects of age-old injustices accountable to moral luck. He was alive to the reality of those injustices but he argued that there are both moral and epistemic reasons not to seek redress through large-scale policies of distributive justice. He argued that individuals know best how to deploy their abilities and energy. The thought is that, though there is unfairness in starting points, if people are at liberty to fashion the conception of their interest and to pursue it, at least that strategy allows for individuals’ knowledge of themselves—much greater than the relevant knowledge the state could have—to be used to advantage, enabling them to prosper. In that way, with the passage of time—with patience—a closer approximation to distributive justice than that achievable by the state is possible.

In addition to that epistemic reason there is also a moral reason to have reservations about policies of distributive justice. Griswold puts one of Smith’s main points in regard to the question of distributive justice as follows: “In general, individuals cannot be indemnified by the state against bad consequences arising from factors outside their control.”²⁹

“Smith does not deny that harm can be done in a manner that, ideally, warrants redress beyond what commutative justice can offer. He understands, as his historical accounts of the genesis of various schemes of justice indicate, that even if the playing field is level, the players come to it with varying degrees of skill and advantage.”³⁰ Still, if distributive justice depends upon clear, specific, and fair principles just what are those to be? There is the moral problem that redistributive policies would impose upon liberty without being informed by clear and definite principles of who deserves what, and on what grounds. We

have seen that Smith was highly skeptical of politically motivated and formulated projects and policies purporting to serve the common good. If we add to that Smith's skepticism in regard to formulating exact requirements of distributive justice we have a strong basis for reservations about the state seeking to redress distributive injustice. And how can we assure that redistributive policies do not introduce serious distortions of their own, potentially creating an endless cycle of redistributive 'corrections,' none of which is satisfactory, and which jointly motivate an endless succession of policy interventions multiplying distortions and making expectations of entitlement routine?

We risk multiplying moral hazard and imposing upon some people in ways that are not supported by sufficiently definite justifications. We are, Smith thought, better able to work our way out of distributive injustices shaped by a long history of moral luck by the protection of liberty and by prudent self-determination, than by the state attempting to formulate and apply just principles of redress. Smith wrote, "To hurt in any degree the interest of any one order of citizens, for no other purpose but to promote that of some other, is evidently contrary to that justice and equality of treatment which the sovereign owes to all the different orders of his subjects."³¹

Counseling patience is not a stance of unconcern with the distributive injustices traceable to the vagaries of fortune. And certainly, persons whose conditions are desperate or seriously disadvantaged on account of moral luck need support enabling them to participate in the market. However, multiple benefits arise from positioning individuals to pursue their self-interest in contrast to transforming assistance into dependence and entitlement. One of the most significant is that agents do develop the false notion that policy can be formulated with the wisdom and the power to regularly, efficiently achieve intended results without multiple unintended, undesirable consequences.

It is one of the deceptions of politics that policy advocates often point only to what is intended or desired (whether or not there is compelling evidence of it occurring) without attention to the other effects of policy. One of those might be that, as policy is extended into more and more areas of economic activity people become habituated to wait upon policy before making decisions concerning investment, consumption, and so forth. Such distortions of the market may go unremarked by the agents of policy, as though the state's interventions can be compartmentalized in their effects. The fact of the matter is that there is a great deal that politicians and administrators cannot predict even when there are fairly reliable generalizations about the effects of this or that specific policy. Everything from the weather, to political events, to scientific and technological developments, to changes in taste, can make significant differences. In addition, it is often enormously difficult to gather and process the blizzard of information likely to be needed in order for administration of policy to rest on a confident basis of knowledge.

Regarding that, Smith wrote:

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 safely be trusted, not only to no single person, but to no council or senate whatever, and which would nowhere be so dangerous as in the hands of a man who had folly and presumption enough to fancy himself fit to exercise it.³²

I noted above that people often think that because the state can mobilize vast resources and undertake grand initiatives the state can be expected to be effective and efficient at bringing about certain ends. In some cases that is true. But in a great many cases the apparent efficiency of the state is *merely* apparent. A great deal is spent, many people are involved, but there are often considerable inefficiencies and considerable impediments to removing them because of the scale of vested interest in the agencies, contracts, and employment involved. In many cases it is almost as though a state agency measures its success by how much it can spend and how many people it can employ rather than in how efficiently it can perform the task it was established to undertake. The fact that it collects a great deal of information does not imply that it uses it well or even that, in order for the desired result to be brought about, any single agency needs to be in possession of all of that information. Knowledge that is much more dispersed may be much more effective and efficient. The willingness to acknowledge that is an important part of the disposition of mind needed to support the liberal polity. This is because such a disposition involves tolerance of contingency (in contrast to control by administration), and tolerance of widely dispersed (rather than centralized) knowledge.

Having presented these reasons for regarding patience as a virtue we should note, though, that there are ways in which *impatience* can also be a virtue. Impatience with failure to seek remedies for badly failed policies, and impatience with wasteful, ineffective institutions and practices can be perfectly appropriate. In many contexts, impatience with unfairness can be important as motivating long overdue insistence that the unfairness be redressed. Impatience of that type can reflect moral alertness, courage, and resolve. All too often, complacency and fear can be relied upon to keep unfairness and corruption undisturbed. Most people, most of the time seem not to have the stomach to press hard for change in the *status quo* or for challenging authorities or deeply entrenched interests and their *de facto* power. Impatience can be an expression of integrity and it can help others see that the way things are is *not* the way they must be. But it is a delicate and important matter of judgment to know when impatience is virtuous and what form of action it should motivate. Human beings are notoriously imperfect in their judgment of that. That is not a counsel of timidity or resignation. But it is very important to distinguish thoughtful, uncompromising insistence from demanding change in the spirit of factional triumphalism or punitive enthusiasm. The market seems to invite especially volatile debate concerning the merits and suitability of patience and impatience.

IV

One virtue of the market is that it does not demand that people provide for others while it

actually does that very effectively. It is important to remind our selves of this because of the tendency to think that unless an issue is being addressed by policy it is not being addressed. Recall the example above, concerning the processing and distribution of food. In societies at all levels of development there is confirmation again and again that food is more readily and cheaply supplied, and the supply is of better quality, when food production, distribution, and pricing is left to the market. There are exceptions, but they often have to do with correcting for serious distortions and corruption, which are results of policy and administration, rather than being attributable to the market. It seems that many people are reluctant to believe that human welfare can be well served without explicit intention, and perhaps even without a motive of humane concern. But why is it less morally meritorious to meet human needs without requiring an intention to promote human welfare and a motive of benevolence or 'social justice' than to meet them simply by going about one's business, whatever the intention and motive happen to be (as long as they are not positively immoral)? Again, a tolerance for contingency can well serve us and help us avoid needless complications and costs that come with imposed policies of humane concern.

Also, we have seen that it is part of Smith's view that there are significant respects in which life in a liberal polity with private property and the market as the economic arrangement encourages humane concern and respect for others. It is an environment with more, rather than fewer, contexts and opportunities for self-determination and voluntary interaction and association. There are more, rather than fewer, ways in which people can engage with each other *as* agents and thus, appreciate each other *as* agents. Self-determination, choice, and effort are likely to have a greater role in shaping one's circumstances, direction, and achievements in contrast to those being shaped by status or inherited station. There are more, rather than fewer, ways in which persons have and can *take* responsibility. In turn, that can contribute significantly to moral education and the enlargement of moral imagination. Liberty, not just as an absence of impediments, but as an intelligent, complex capacity for action, is more fully realized when the work of exercising it is not only permitted but expected. And the development and exercise of liberty is a basis for respecting one's self and others. The ways in which liberty, the market, and civil society support each other provide conditions for action and interaction that are conducive to appreciating one's self as a self-determining, rational agent, acknowledging others as such, and desiring to preserve those conditions for that reason.

To a large extent, Smith has provided us with a conceptual idiom in which to formulate and express several crucial, connected points concerning features of moral and economic life in the modern liberal polity. The project of explicating moral judgment in a way that (i) preserves real distinctions between correct and incorrect, and gives an important role to thought and reflection, while (ii) not appealing to a metaphysics of moral value, rational intuition or specific theological commitments as a basis for moral judgment, is a powerful, important undertaking. The *character* of the project is significant even if we find that we cannot endorse Smith's metaethics. In addition, the moral-psychological claims supporting the project have considerable plausibility in their own right. Those claims have important relations to important aspects of the modern social world. They help explain the coherence of fundamental features of economic life and activity, moral

life, and a broadly liberal politics. That is a crucial achievement and an enduringly relevant and instructive contribution.

Endnotes

1. Adam Smith, *The Theory of Moral Sentiments*, eds., D.D. Raphael, A. L. MacFie, Indianapolis: Liberty Fund, 1984, III. 3. 34, p. 152.
2. Ibid., III. 3. 35, p. 152.
3. Ibid., p. 153.
4. Ibid., VI. i. 3, p. 213.
5. Ibid., p. 213.
6. Ibid., VI, ii. 2.15, p. 232.
7. Ibid., p. 232. There are some significant likenesses between Smith's critique of "system" and Oakeshott's critique of ideology in politics. Oakeshott wrote:

The ideological style of politics is a confused style. Properly speaking, it is a traditional manner of attending to the arrangements of a society which has been abridged into a doctrine of ends to be pursued, the abridgment (together with the necessary technical knowledge) being erroneously regarded as the sole guide relied upon." ("Political Education," p. 171) In ideological politics, "The arrangements of a society are made to appear, not as manners of behavior, but as pieces of machinery to be transported about the world indiscriminately." (Ibid., p. 172)

From Michael Oakeshott, *The Voice of Liberal Learning*, ed. Timothy Fuller, Indianapolis: Liberty Fund, Inc., 2001, pp. 159-188.

8. Smith, *The Theory of Moral Sentiments*, p. 233.
9. Ibid., VI, ii. 2.17, p. 234.
10. Ibid., VI.ii.2.16, p. 233.
11. Ibid. VI.ii.1.20, p. 226.
12. Ibid., p. 226.
13. Adam Smith, *An Inquiry Into the Nature and Causes of the Wealth of Nations*, eds., R. H. Campbell, A. S. Skinner, W. B. Todd, Indianapolis: Liberty Fund, 1981. I.x.c.27; IV.iii.c.10.
14. Ibid.,
15. Ibid.,
16. *Adam Smith and the Virtues of Enlightenment*, Charles Griswold, New York: Cambridge University Press, 1999, p. 298.
17. Adam Smith, *The Theory of Moral Sentiments*, III, 1.7, p. 113.
18. Ibid., III.2.3, p. 114.
19. Ibid., VII.iv.24, p. 336.
20. Ibid., 25, p. 336.
21. Ibid., 28, p. 337.
22. Ibid., VII.iv.28, p. 337.

23. Ibid., p. 336
24. Griswold, pp. 298-299.
25. Frank Knight comments in a pithy, insightful manner on this issue in “The Ethics of Competition.” He remarks on the ways in which certain dispositions that are encouraged and rewarded by competitive economic activity can have unwelcome effects on character. For those who are ambitious and have a taste for competitive activity, participation in the market can motivate them to act ways that are selfish and aggressive, and can lead them to (falsely) think that their successes are due to their superior character. For some of those who do not wish to shape their lives around competition and acquisition, the ways in which the market extends into more and more departments of life can lead them to feel inadequate, alienated, and less capable and less worthy of respect than others. In neither case is this inevitable but Knight was willing to describe some of the harsh realities of the sort of ethics of competition that the market can motivate. Smith, himself, commented on the fact that the illusion that wealth will make us happy often motivates people to be industrious. It is also part of his view that each person acting in his or her own economic interest tends to promote the overall wealth and welfare, but he was profoundly skeptical of the notion that amenities, amusement, and the sort of prosperity making possible indulgent consumption contribute significantly to happiness. But, summarizing an important Smithian point, H. B. Acton writes, “The deceptions of avarice, then, lead ambitious men to clear forests, launch ships, and augment the products of industry, and as an unintended result a larger population can enjoy some of the good things of life.” “Distributive Justice,” in *The Morals of Markets and Related Essays*, ed. David Gordon, Jeremy Shearmur, Indianapolis: Liberty Fund, Inc., 1993, p. 232.

Both Smith and Knight kept in view the difference between success and merit or worthiness and the enormous importance of that difference to our conceptions of our selves and others. Neither thinker lost sight of the fact that modes of economic activity have an effect on character and neither lost sight of the difference between real and specious grounds for admiration and self-worth.

26. Smith, *The Wealth of Nations*, IV.ii.4, p. 454.
27. Ibid., II.iii.31, p. 343.
28. Ibid., II. iii. 28, p. 341.
29. Griswold, p. 251.
30. Ibid., p. 251.
31. Smith, *The Wealth of Nations*, IV.viii.30, p. 654. (See also WN IV.ix.3)
32. Ibid., IV.ii.10, p. 456.

