Adam Smith and Allegiance to Commercial Society

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John Millar, a jurist who studied with and was mentored by Adam Smith, insisted that writers erred when they celebrated the liberty of "barbarians". Any freedom "of mere savages" is due to the "wretchedness of their circumstances, which afford nothing that can tempt any one man to become subject to another."[1] This barbarian liberty contrasts with the freedom of people like the "English waggoner," who are "enabled to live in affluence by their own industry, and, in procuring their livelihood, have little occasion to court the favor of their superiors." The freedom of the waggoner is a freedom from dependence on the will of another. It results from "commerce and manufactures" along with progress "in civilization and in the arts of life." That freedom, in other words, originates in commercial society.

A present-day analogue of the English waggoner—a Lyft driver with a Toyota Camry—recently insisted to me that things looked quite different from his perspective. On his view, his freedom—to manage his schedule and to earn money when he wished—was mostly illusory and felt much more like exploitation than liberty. As he put it, "We're all just working for the rich and powerful." And he's not alone in having that attitude. Polls taken right before the election of Donald Trump noted that 62% of Americans thought the economy was "rigged" in favor of certain subgroups, especially "the rich, politicians, banks and bank executives, and corporations."[2]

While the unemployment rate in the United States is 4% and the country has enjoyed almost ten years of economic expansion, Americans are not a particularly happy group right now. Life expectancy has dropped in the United States, much of which can be explained by increases in rates of drug overdose and suicide. Indeed, the Chinese—who have markets without Smithian commercial society—are much more optimistic about the future than Americans.

And, what if things get worse? What if, as Thomas Piketty argues, the period between 1950 and 1980 was anomalous in its reduction of inequality? Maybe those of us who have lived in post-WWII industrial, liberal democracies have simply been fortunate. Are we confident that the benefits of commercial society are especially robust and intrinsic to it? Perhaps, as Gibbon wrote of the period between "the death of Domitian [96 C.E.] to the accession of Commodus [180 C.E.]," we have stumbled upon a time when the "condition of the human race was most happy and prosperous." Did many of us just live through the historical equivalent of a lucky run and mistake the results of that luck for the virtues of our system? Has a new Commodus ascended to the imperial throne?

If, as Jesse Norman contends in his thoughtful book, commercial society "has had a unique capacity to command the allegiance of citizens, and to sustain its legitimacy by increasing their prosperity and freedom," the attitude that the system is rigged might be the greatest threat to that allegiance. Norman argues that to reinvigorate commercial society "*we need a new master-narrative for our times*" (p. 324, emphasis in original) and "we *must* return" (ibid., emphasis added) to the thought of Adam Smith in order to compose that narrative. Norman emphasizes that this new narrative for our time "*must* start with a new political economy" (emphasis added) and that Smith's reflections on political economy, markets, commercial society, and the moral underpinnings of political and economic life offer "lessons" for we moderns.

I confess to being less optimistic than Norman about Smith's lessons for our politics and society. In the spirit of engagement rather than polemic, I'd like to raise questions about Norman's claims for the implications of Smith's work and for the necessity of returning to it.

What lessons does Norman think Smith teaches us? Norman concludes his book by identifying six. Some of them strike me as not ones that we need Smith for. Take the following: "Commercial societies need states that are resilient, modest, strategic, and strong." That is, we need the right amount of regulation and a reasonably active state that adjudicates disputes and provides for infrastructure, among other things. We require *both* a healthy private and public

sector. Is that something we need Smith to know? Perhaps one can learn something like that from Smith, but we can learn it from lots of other places too.

Or again: Commercial society is always subject to the risks of "crony capitalism," which flourishes "where companies and markets lose their connection to the public good, and where business rewards float free of underlying business merit." The lesson here seems to be something like: Be vigilant about monopoly, incentives to rent-seeking, asymmetries of information and power, and conflicts of interest between owners and managers. Surely, these are good goals, particularly as guides to legislation and citizen advocacy. I don't think anybody needs Smith to be aware of them.

When we return to the problem of allegiance to commercial society, however, we have much to learn from Smith, as Norman emphasizes. What commits us to a free society, in which individuals can negotiate the terms of their social, economic, and civic relationships?

In addressing this allegiance problem, Norman emphasizes the value of a Smithian "master-narrative." At times, it appears Norman means by this a Smithian *theory* of commercial society and political economy that guides legislators and particularly active citizens. But—and perhaps Norman would agree here—what defenders of commercial society require for allegiance is less a theory than a story with emotional impact. Something that hits us in the gut rather than in the head.

The sociologist Arlie Hochschild offers an alternative to an explicit theory of commercial society: a "deep story." For Hochschild, a deep story generates commitment and organizes one's experiences. The deep story expresses how things *feel* to you. Indeed, it's the "story feelings tell" about an area of your life—personal, political, social, etc. A political philosophy without a deep story is emotionally inert.

Hochschild studied Tea Party conservatives in Louisiana from 2011 to 2016 and described their deep story as follows: "You are patiently standing in a long line leading up a hill, as in a pilgrimage. You are situated in the middle of this line, along with others who are also white, older, Christian, and predominantly male, some with college degrees, some not." Just over the crest of the hill is the American Dream—a dream of progress. You've worked hard, followed the rules, and struggled. Then you see people—minorities, immigrants, some women—cutting the line in front of you. Who is helping them?! The Federal Government (and President Obama, in particular).[3]

Hochschild reconstructs this deep story as she tries to understand how Tea Party conservatives and allies (many of whom became supporters of President Trump) felt about the nation, its politics, and economics. While they are social conservatives and oppose liberal immigration policies, they also tend towards libertarian free-market commitments—typically out of greater distrust of government than of firms. In this story, the government (particularly in the form of the administrative and bureaucratic state) has been co-opted by the liberal, urban elite.

The more progressive left in the U.S. also appears to have a compelling, inverse "deep story," in which entrenched hierarchy and unchecked capitalism continue to hurt the 99% and those who have been traditionally marginalized. They look to a radicalized and more democratic national government to intervene to protect the rights of minorities and defend against supposedly "free" markets. In this story, government and political activism combat the avarice and cheating of entrenched financial interests—interests that will exploit workers, deny citizens healthcare, and corrupt politicians through lobbying and fundraising. With this kind of deep story, democratic socialism has begun to capture cultural and political space in the country.

Both Tea Party and democratic socialist deep stories arise from the trauma of the financial crisis. They both tell of grievances and of how the system is rigged. They have heroes and villains.

Two questions arise for me here. First, does Norman think that these stories support commercial society, perhaps by calling out how entrenched interests distort the system and make it unfair? Or do they oppose it, by leading us away from civic and political freedom and by undermining the foundations of prosperity?

Second, does Smithian, cosmopolitan, small-c conservative commercial society have its own, similarly clear and impactful, deep story? I'd be very curious to hear what Norman thinks it includes and how Smith helps us tell it. The story told by Hume, Smith, and others about the "douceur" of commerce worked well in the eighteenth century, but can it be updated to generate allegiance to commercial society now?

NOTES

1 John Millar, *The Origin of the Distinction of Ranks* (Liberty Fund: Indianapolis, 2006), 243.

2 Marketplace-Edison Research Poll, 10/1-8/2016. I'm reminded here of Montaigne's amazed New World "native," on seeing the conditions in sixteenth century France: How is it that the "destitute" don't attack and set fire to the houses of those men "fully bloated with all sorts of comforts"? ["On the Cannibals"]

3 Arlie Russell Hochschild, *Strangers in Their Own Land* (The New Press: New York, 2016), 135ff.