Justice as a Virtue — Justice as a Principle in Adam Smith’s Thought

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The paper deals with the character of justice in Adam Smith’s thought. Justice is considered both as a virtue, different from all other virtues for its enforceability; and as a principle on which all the systems of law should be grounded. Smith could not achieve his project of writing a theory of jurisprudence, but some parts of his thought have been analyzed under different points of view: the political “paradigms” of civic humanism and natural law; the dilemma about property, whether it existed by nature of by human convention; the equality/inequality of distribution; the way in which the labouring poor could improve their lot without infringing the rich’s rights. Classical influences and modern considerations are interwoven in Smith’s writings.

Keywords: Justice, Distribution, Property, Equity, Equality, Natural right(s).

El artículo se plantea el carácter de la justicia en el pensamiento de Adam Smith. La justicia se considera tanto como una virtud, diferente de las demás virtudes por su obligatoriedad; y como un principio sobre el que deberían estar basados todos los sistemas de leyes. Smith no pudo culminar su proyecto de escribir una teoría de la jurisprudencia, pero algunas partes de su pensamiento se han analizado bajo diferentes puntos de vista: los paradigmas políticos del humanismo cívico y la ley natural; el dilema sobre la propiedad, si existe por naturaleza o por convención humana; la igualdad/desigualdad de la distribución; la forma en que los pobres trabajadores podrían mejorar su suerte sin infringir los derechos de los ricos. En los escritos de Smith se entremejen las influencias clásicas y las consideraciones modernas.

Palabras clave: Justicia, Distribución, Propiedad, Equidad, Igualdad, Derecho(s) natural(es).

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I. Justice and law

One of the most frequently cited phrases from TMS is the one which defines justice “a mere negative virtue”, the principles of which can be complied with “by sitting still and doing nothing”\(^1\). In reality, Smith’s concept was far more complex, and contemplated other aspects: justice could be also due consideration for others, or just assessment of merit, for example. However, it is its connection with *iniuria* that makes justice the only virtue that is enforceable, or compulsory by law. We must behave lawfully, yet it is only if we do not that we be compelled to do so. Therefore, the obligatoriness of justice becomes evident only when justice is violated, rather than when it is observed\(^2\). It has been noted many times—and indeed Smith himself emphasised—that this is what gives justice its unique character and distinguishes it from all the other virtues, which cannot be imposed\(^3\). Nevertheless, it is not as a virtue that justice is imposed, but rather as something entirely different—what we might define a duty, something neither praiseworthy nor optional. It is from this latter aspect of justice that we expect laws, regulations and sanctions for transgressions to derive. We do not expect rewards or incentives for those who obey spontaneously what the law demands, or for those who abstain from what the law prohibits.

But there is another way of approaching the issue of justice: should the starting point for a system of laws be the violation of justice, or

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\(^1\) TMS II.ii.1.9.  
\(^2\) “But what for these rules is a mere possibility (sc. of transgression) (…) is on the contrary the necessary *basis of fact* for penal justice, which starts from the hypothesis of an injustice or *iniuria* having taken place”. Del Vecchio, G. (1952), p. 104, author’s own italics.  
\(^3\) A few exceptions have been noted, e.g. the phrase at TMS II.ii.1.8, to the effect that the state may impose certain types of virtuous behaviour, such as the duty of parents to maintain their offspring and vice versa. See Young, J. (1977), p. 133. An alternative interpretation is that since all rights are grounded on natural law, within certain limits even imperfect rights may be protected by the law. Haakonsen, K. (1999), p. 52 (=256).
the existence of abstract (positive) principles of justice? Smith seems to have had in mind both sides of the problem: not only the “negative character” of justice, but also the search for general principles upon which all systems of law should be grounded.

It is well known that Adam Smith intended to write a treatise on the principles of jurisprudence. He did not succeed; nevertheless, in his writings he treated related questions, albeit on an occasional basis rather than in the form of a systematic survey. His scientific programme in fact was intended to illustrate the principles underlying laws and government—in other words, a theory of jurisprudence. Clearly, a fundamental part of the programme was a definition of justice, but it was precisely this element that Smith had failed to complete, having already written the parts on “police, revenue and arms”, with which division he distinguished between utilitarian and more strictly jurisprudential aspects. Although Smith was well aware of the unlikelihood of succeeding in his intent, he deliberately left unchanged the ending of the final edition of TMS. In my opinion, this reflects his desire to leave a complete outline of his project more than the fact that nobody knows how long one has left.

The four most important virtues for Smith were prudence, justice, self-command and benevolence. Forcing the argument somewhat, some commentators have chosen to identify these with the four cardinal virtues. Here we will deal only with justice, which Smith pre-

4 Gavin Kennedy supposes that Smith had finished the work, but did not publish it for reasons of political opportunity, see Kennedy, G. (2008).
5 TMS VII.iv.37, see Advertisement, par.2 to the 6th edition of TMS.
6 Note that I do not wish to question those who define the above mentioned virtues cardinal (i.e. the most important) for Smith, but rather those who identify them with the four Christian virtues. See Vivenza, G. (2001a), pp. 194–195 with note 16. Montes, L. (2004), pp. 57–96, keeps a balanced position, underlining Smith’s blend of different traditions (from classical authors to Christian cardinal virtues), which results in a combination, in Smith’s treatment of virtues, of the two main paradigms of recent scholarship, the jurisprudential and the civic humanist.
sents as a virtue consisting mainly of abstaining from harming others, and complying spontaneously with what the law obliges us to do. Justice does not rest on a utilitarian foundation; rather it originates from disapproval at seeing an evil deed committed and satisfaction at seeing injustice punished. In the conclusion of TMS, there is also Smith’s observation that the ancient moralists treated justice exclusively as a virtue: not even when they set about writing treatises on the “Laws” (Plato and Cicero, in this case) did they enunciate the rules of “natural equity” upon which the laws of all countries should rest, simply describing the “laws of police, not of justice.” In fact, Smith regarded Grotius as the first to have sought to identify the general principles of justice, and in the opinion of the editors of TMS, Smith distinguished between these principles and the positive laws that implement them. So apparently the ancient philosophers did not distinguish between the principles of justice and actual legislation, and considered only the “positive” aspect of the laws.

Is this criticism true? The famous *summum ius summa iniuria* reported by Cicero as *tritum sermone proverbium*—which was therefore

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7 TMS VII.i.1.10. Smith is in fact describing Plato’s moral theory here, with a reference also to Aristotle’s version. Note however that the explanation at TMS VII.i.1.10 is expressed in such a way that we can attribute it to Smith himself: the reference to the different meaning of the word in Greek and in other languages, and the comment on the “natural affinity among those various significations” suggest that it is a personal reflection.

8 TMS I.ii.3.1-4; II.ii.1.4-5; II.ii.3.9; VI.ii.intro.2. TMS VII.iv.37. Vivenza, G. (2001a), pp. 97-98 with note 53.

9 This is precisely what Smith notes with (if I am not mistaken) a slightly critical tone, or in any case one which denotes an area in which the classics were less “complete”, so to speak, than the moderns: “In the laws of Cicero and Plato, where we might naturally have expected some attempts towards an enumeration of those rules of natural equity, which ought to be enforced by the positive laws of every country, there is, however, nothing of this kind”.

10 TMS pp. 341-342.

11 Cicero, *De officiis* I, 33.
ancient in his day—would suggest the opposite. It is, however, true that Smith, who is here speaking of moral philosophers, acknowledged a few lines above that the jurists had expressed something similar: “the reasonings of lawyers did produce something of this kind (= a theory of the “general principles which ought to run through and be the foundation of the laws of all nations”12. Smith also conceded that the philosophy of jurisprudence had originated rather late13. However, he remained convinced that the search for the general principles underlying the laws of all countries was essentially modern.

We are clearly dealing with a question of natural jurisprudence here, so we should say a few words about the Roman *ius gentium*, a law extended to all foreign peoples which was likened to natural law in the modern age (but had already been by the Stoics14) precisely because it went beyond the single nation. What is perhaps surprising is that Smith did not underline this fact, notwithstanding Grotius’s massive use of *ius gentium* and classical sources in general15; and that Smith considered Grotius the father of natural jurisprudence. However, once again we should bear in mind that Smith wanted to see all his notes on this subject destroyed.

The fact that *ius gentium* and *ius naturale* were not exactly the same thing16 has been said and repeated, and we cannot dwell on this here. However, it is a fact that, historically, the purpose of *ius gentium* was to distinguish foreigners from Roman citizens. In this sense, it was discriminatory, and it would not therefore have been

12 TMS VII.iv.37.
13 TMS VII.iv.37.
appropriate to consider it an example of the “general principles of jurisprudence” which were equal for all men. Nevertheless, this is what *ius gentium* came to be considered (or something similar) in the modern age, because it was the only example of legislation applied to different peoples—but it actually sanctioned the privilege of the Roman people.

A considerable and growing body of literature exists now on Smith’s treatment of the question of justice. In general, until recently the numerous scholars who investigated the relationship between civic humanism and natural law tended to set Smith’s (political) thought within the context of the dualism between virtue and rights: there was lengthy debate over the question of whether, and to what extent, Smith was more interested in one or the other principle. Today, we are more inclined to play down this contrast and try to reconcile the two categories of problems. On the other hand, it is also true that the head-on clash between the two “paradigms” is entirely the result of contemporary exegesis: Smith certainly never questioned whether to side with the virtue of the civic humanists or with the rights of natural law. In this sense, perhaps those who pay more attention to the language than the content of the two models are not entirely wrong.

Today, there appears to be more interest in a social question, the so-called equality of which Smith is allegedly the champion. Both developments, while certainly not exempt from criticism, are nevertheless interesting and can further our knowledge of Smith’s works.

The catalyst in the reaction which results in the foundation of justice in response to an injustice committed is resentment; it may also serve as a deterrent for an injustice yet to be committed, likewise an aim of justice. *Iura inventa metu iniusti* wrote a poet dear to Smith, offering a sort of poetical “conjectural history” *ante litteram*, which helps us to understand how, even in the ancient world, fear of crime was an essential motivation in repressing the intention to harm: Smith would have said perhaps the fear of moral indignation (resentment) that it would cause.

Therefore, it seems clear that Smith’s well-known anti-utilitarian position towards justice reflected the need to rest the latter on something higher and nobler than mere convenience or utility. Another classical author shared this view. Indeed Cicero wrote: *Ita fit ut nulla sit omnino iustitia, si neque natura est, eaque quae propter utilitatem constituitur, utilitate illa convellitur*: “It follows that justice does not exist at all, if not by nature; and that form of it which is based on utility can be overthrown by that very utility itself”). Justice is based on nature, Cicero argued, and Smith concurred when he stated that the grounds for justice are natural (resentment is given to us by nature).

Cicero’s influence on Smith becomes even more evident when we turn to an important aspect of the relationship between nature and legal organisation. Cicero did not consider property, an institution for which laws and governments had been established, a natural right: *De Officiis* I, 21: *sunt autem privata nulla natura* (“There is

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18 TMS VI.ii.intro.2.
20 Cicero, *De Legibus* I, 43.
21 TMS II.ii.1.4. Naturally in the middle there are countless formulations which we cannot examine here: for example Grotius considered the right that derives from an *iniuria* to be a natural right (*De iure belli ac pacis* II,xvii,1).
however, no such thing as private ownership established by nature”); and II, 73: *hanc enim ob causam maxime, ut sua tenerentur, res publicae civitatesque constitutae sunt* (“For the chief purpose in the establishment of constitutional state and municipal government was that individual property rights might be secured”).

Smith echoes these sentiments exactly at LJA i.25 and LJB 149. However, the natural law jurists claimed that property existed by nature. It is important to underline this fact: Smith came centuries after the problem had been discussed in detail, particularly in renaissance commentaries to the *De Officiis*, which among other things maintained that property existed by nature, and that Cicero was wrong. Conversely, Smith—without actually referring to Cicero—elaborated a personal distinction between natural and acquired rights and followed his definition with a list of the institutions in Roman law relating to property, in exactly the same way as Cicero.

At any rate, many issues relating to justice and even its relationship with natural law are of classical origin: for example, the well-known principle that justice is based on the social character of men began with Aristotle, was consolidated by Cicero and was taken up again—though in a new form—by Grotius.

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23 The latter are characterised by a historical development, see Haakonssen, K. (1981), pp. 101-102.

24 In reality Cicero mentions one, *occupatio*, and then follows on with a general allusion to war, law, contracts, etc. It is all very brief and not strictly juridical; what is important is his mention of the fact that property becomes private through certain institutions.

II. Justice, property and distribution

Many authors have asked themselves whether Smith contemplated problems of social justice, a doubt fostered by certain positions in Smith’s writings that may be interpreted in either sense. For example, at WN I.viii.36 there is a phrase connected with his well-known position in favour of wages above subsistence level, which concept was not widely supported in doctrine in Smith’s day. Conversely, there are equally famous phrases, such as the one (to which we will return) concerning the fact that a poor man would not hesitate to seize the belongings of a rich unless restrained by the law. In this case, Smith is clearly on the side of the rich, despite some words of sympathy for extreme situations.

In fact, Smith’s position is rather complex. In WN, he presents as a question of justice his battle against obstacles and favouritisms, monopolies and all types of restrictions to economic activities, and it has been “read” as such by many commentators. Nevertheless, we are left with the problem, noted by many scholars and expressed well by J. Young, that “Smith has a decidedly anti-egalitarian view of social classes and government and a strong admiration for the institution of private property which is repeatedly, and paradoxically, juxtaposed throughout his writings with a negative view of property owners and an obvious sympathy for the labouring poor”.

26 “It is but equity (......) that they who feed, cloath and lodge the whole body of the people (sc. servants, labourers and workmen of different kinds), should have such a share of the produce of their own labour as to be themselves tolerably well fed, cloathed and lodged”.

27 WN I.viii.12-13; I.xi.p.9; V.i.f.50.

28 See for example the well-known phrase “natural system of perfect liberty and justice”, WN IV.vii.c.44; see also WN IV.ix.28.


30 Young, J. (1997), p. 135; the "sympathy for the labouring poor" has been noted often; see among others Fleischacker, S. (1999), p. 313, n. 26.

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Although the government has only three duties, education is not one of these – except when it is necessary to defend the otherwise miserable life of the labouring poor\footnote{WN V.i.f.50.}. Therefore, some scholars have recently placed the question of equality within the context of social justice; it is a ‘contextualised’ equality so to speak, rather than equality tout-court, which would be extremely difficult to uphold. Smith was perfectly clear on this: in addition to the passages in which he advocates the distinction of ranks\footnote{TMS I.iii.2.3; VI.ii.1.20.}, in one of his very first writings he compared Rousseau’s \textit{Discours de l’inegalite’} to Mandeville’s \textit{Fable} and wrote: “According to both, those laws of justice, which maintain the present inequality amongst mankind, were originally the inventions of the cunning and the powerful, in order to maintain or to acquire an unnatural and unjust superiority over the rest of their fellow creatures”\footnote{Letter to the authors of the Edinburgh Review, 11 (p. 251).}. From his tone, we understand that Smith has reservations about this interpretation.

The equality of the modern critics should thus be interpreted in the sense of potential equality of the basic conditions required for independence\footnote{Fleischacker, S. (1999), p. 182. See Vivenza, G. (2008), p. 20.}, or even an “acceptance of a basic equality of all humans, based on the size of one’s stomach and on an equal access to happiness”\footnote{Rosen, F. (2000), p. 91.}; or, in a more recent formulation, “equal dignity” for all human beings\footnote{The phrase echoes the title of Darwall, S. (2004); see also Darwall, S. (1999); Rothschild, E. (2001), p. 225 and Rothschild, E. (2004). I do not intend to treat the argument from an economic standpoint, i.e. in terms of the “egalitarianism that characterized classical economics” according to Levy, D.M. and Peart, S.J. (2004), p. 333, n. 1.}. Equality, according to these interpretations, is a sort of legitimization of individuals by society which “recognizes”...
them—or, in other words, individual identity is rooted in a social nature that involves a mutual recognition/identification of individuals, considered on the same footing under this point of view\textsuperscript{37}.

It should be pointed out that this egalitarianism is to be understood according to what modern scholarship defines as egalitarianism, which is a very sophisticated cluster of concepts, not very easy to synthesize in a few words\textsuperscript{38}. Certainly, it is not an idea of egalitarianism with which Adam Smith or others in his time could be familiar.

What was “egalitarianism” in the eighteenth century? In fact, none of today scholars ignore that in Smith’s time the division of ranks (approved of by Smith himself\textsuperscript{39}) established different rights for each category, or class. This was the feudal hierarchy, characterized by a “strategical” inequality which was the basic principle of society\textsuperscript{40}.

In ancient world, this feudal principle was unknown; the principle of citizenship was grounded on equality of rights. There was no aristocracy; and the clergy, although important, had not power enough or, better, it was subsumed in politics, the religious charges being accessible to lay politicians, not reserved to a special class: Caesar, for instance, could be \textit{pontifex maximus}, as well as Augustus and others.

\textsuperscript{37} I have briefly hinted at the problem in Vivenza, G. (2008); and much earlier in \textit{Adam Smith and Aristotle}, forthcoming since many years. Recently Angelica Nuzzo read a paper on \textit{The Standpoint of Morality in Adam Smith and Hegel}, with interesting observations on the topic, at the Oxford 2009 conference for the 250th anniversary of TMS.


\textsuperscript{39} TMS VI.ii.1.20.

So, the structure of aristocracy —clergy— third estate was unknown to the ancient world. Does this mean that there was more equality? As soon as this question is formulated, objections burst out: Noooo! And women? And slaves? And children?

Well; today nobody objects on tutorship for children, whereas all the other categories are on equal footing: men and women first, but also those who provide services are no longer separated from the other people and considered of a distinct rank.

In ancient Roman society, they were all children, so to speak: as nobody today objects on the fact that children do not vote, neither are lawfully responsible of their own actions, and must live under the responsibility of someone else, the same happened in ancient Rome also for both women and servants: not qualified for being citizens, they were under the responsibility of the head of the family. And, exactly as today we do not think that the presence of children not yet of age means that society is unequal, so the ancient Romans did not think their society unequal because women, children and slaves were under the tutorship of the *paterfamilias*.

The Roman society was certainly hierarchical, but because rights and charges were proportioned to wealth: it was a timocratic, not a feudal constitution. From the political point of view there never was a true democracy, like that which was experienced in Greece, albeit for a short period. However, as recently observed by Luciano Canfora, this was a “false” democracy because the citizens were twenty thousand among three hundred fifty thousand inhabitants[^41]. True, but it is our modern sensibility, from Tocqueville onwards, to maintain that the Athenian was not a true democracy[^42], in the 18th century things were different. It was openly declared, then, that democracy was a bad politics because it had some inherent flaws.

[^41]: Canfora, L. (2009), p. 49.
And the greatest of these flaws was precisely the right to vote given to everyone without discrimination. In the eighteenth century, too, it would have been ludicrous to discuss the right of slaves to vote, let alone that of women. But even among full-right citizens it did not seem appropriate to give everybody this right. It was openly declared that poor people were “corruptible”, namely that their vote could, indeed would certainly be sold to the best payer. The solution was to give the right to vote only to the well-off, economically independent (landed) gentlemen.

This perspective is clearly recognizable in Smith’s lectures and writings, interpreted through a “moral” evaluation which is, in part, of classical origin.43

III. Justice and labour

Obviously, in dealing with this sort of issue we should bear in mind that Smith lived before the problems associated with the factory system erupted violently on the scene in the 19th century. It may seem banal, but the situation Smith witnessed still belonged to the ancien régime; there was exploitation no doubt, but not on a mass scale. The numbers involved were no cause for concern — nor did they open up new fields of research!44. Children worked in factories, a fact illustrated by the example at WN I.i.8. We should note that Smith did not deplore the operation of a machine by a child at such a tender age; he merely stated that a child “was constantly employed” in that task. However, he appreciated not only the ingenuity of the boy in making the machine work, but also the fact that he found a way to go and amuse himself with his playmates.

44 I allude to W. Kula’s well-known remark that economic history could only emerge as a specialist subject after the industrial revolution.
The relationship between justice as a virtue, and justice as a social organisation, is fairly close. Despite the anti-utilitarian ideas behind Smith’s justice, the fact that laws were established with the birth of property is symptomatic. Laws were designed to protect property: we have already seen that the poor abstain from seizing the property of the rich only when restrained by law. It is well known that Smith considered the unequal distribution of wealth an incentive for the labouring poor to better their condition: it was right for them to try to “catch up” with the rich, but by means of work, and not by violent appropriation of their wealth. The phrase stating that the purpose of the government is to defend the rich from the poor is somewhat paradoxical, since usually it is the poor who fear bullying and injustice, as Smith knew all too well. Nevertheless, since he was in favour of an unequal distribution of wealth, he wished to maintain this state of affairs (or at least change it gradually) for economic reasons. He explained this also in the Lectures with the observation—which we still hear today—that economic equality reduces everyone to a state of poverty.

45 WN V.i.b.2-3. Many authors refer to questions of property when they treat the subject of justice in Adam Smith, e.g. Teichgraeber, R.F. (1986), starting from Grotius (pp. 22-26), considers Hutcheson (pp. 56 and 64-69) and Hume (pp. 88-92 and pp. 99-101) and then Smith (pp. 139-169) and focuses on issues such as exclusivity, commercial justice, distribution, the payment of debts, market models, and the Corn Laws. Young also helped to link Smith’s economic theories with the philosophical, moral and legal aspects of his thought, and connected its most important aspects with the theory of natural law. See Young, J. (1997), ch. 3 and 4, and his general consideration that WN is a normative on justice rather than expediency.

46 WN V.i.b.2.

47 WN V.i.b.12.

48 This does not mean that he rejected a gradual improvement of the lot of the poor labourers, as famously written in WN I.viii.44.

49 LJA iii.138; see also WN V.i.b.7.
was in line with his contemporaries in considering, for example, subversive and conducive to equality the Gracchan laws. Incidentally, this was not the case but it is a good reflection of a widespread aversion to any political project involving the “redistribution” of property.

Smith ‘extended’ so to speak the concept of property in his well-known phrase at WN I.x.c.12, in which he asserted that a labourer is the owner of his own labour and should be free to negotiate it in the way (and place) which is most to his advantage. Apart from Locke, a concept of property of one’s own labour had not been expressed previously with such clarity: freemen certainly had a right of ownership of their person (from the Roman *sui iuris*), but there was no special emphasis placed on the property of one’s own labour. In my opinion, Smith may have meant an abstract concept of labour as a productive factor. In recent criticism, some have claimed Smith meant that the labourer had a right to the *fruits* of his labour. I do not think we should interpret the concept in this way, or that it refers to the totality of the produce. There is no mention of the fruits at WN I.x.c.12, and where the concept is mentioned elsewhere, reference is made to only a part of them. At WN I.viii.36, Smith says that the labourer should have “a share of the produce of his own labour” such that he is “tolerably well fed, cloathed”, etc. So it is a share, and not even a very substantial share, considering that his labour –as we know– has to remunerate also the businessman or the landlord who are evidently better “fed, cloathed and lodged” than he. An interesting circumstance emerges here: in the passage in

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50 As I have observed elsewhere, see Vivenza, G. (2001b), pp. 338-340; pp. 345-346.

51 “The property which every man has in his own labour, as it is the original foundation of all other property, so it is the most sacred and inviolable”.

52 See the Salter-Witztum polemic mentioned in note 56.

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question, while Smith carefully avoids mentioning the fruits of labour which belong to the labourer, Turgot does so in a phrase which is remarkably similar to Smith’s: “...on se permet de violer, sous pretexte d’un bien tres mal entendu, la propriété de toutes la plus sacrée, celle qui seule a pu fonder toutes les autres propriétés, la propriété de l’homme sur les fruits de son travail”53. This may be interpreted as an evolution in economic thought: previously certain types of work had been considered as deriving from the status of the labourer rather than from his choice (and above all they belonged to the master), whereas now neither Smith nor Turgot are willing to tolerate such remnants of feudalism, and want every labourer to manage his own work. I will not enter into the social aspect (there is an element of risk, of course54), although it is significant because it conveys a sense of change in the relationships between the categories which make up society.

In fact, the question hinges on two related issues, which have been discussed at length: property and the (exclusively moral) duty to protect the poor. In this case, reference to the doctrines of natural law is inevitable; the problem, of medieval origin, was very real in an era when death from poverty was far from unknown. Its juridical and moral implications made scholars uneasy, prompting them to theorise “states of necessity” or exceptional circumstances which might afflict a poor labourer. According to some, such hardship justified the (otherwise illegal) act of stealing the property of others, given that a rich man could not be forced in any way to rescue the poor. Certainly stealing was a violation of property rights, but it was also the only way the poor could survive: even this was a fundamental

54 As Hont-Ignatieff have pointed out, in the previous situation (slavery or menial tasks), the maintenance of the worker was assured by the master; now, this is no longer the case. Hont, I. and Ignatieff, M. (1983), p. 2.
right of all human beings. Note that this approach to the problem centred on the fact that the poor had a legal right to perform this act, which was recognised by Grotius but not by Pufendorf. Hont and Ignatieff were the first to draw our attention to this fact. Those who followed related the question in various ways to economic issues: for example, by connecting the Smithian concept of natural price with medieval theories of the just price; or by considering such theories as surviving only in natural law scholarship about states of poverty constituting exceptional circumstances, which forced the juridical relationship between the rich and the poor. However, the underlying dilemma was unchanged: were the poor entitled to demand help, or should they rely on the (optional) generosity of those in a position to do so? Moreover, if no help was forthcoming, did they have the right to help themselves? Clearly, any rights bestowed upon the poor would automatically entail duties for the rich, so it is hardly surprising that the answer was: no.

Some authors claim that Smith did not treat economics independently from moral philosophy, and, contrary to what has long been believed, he was also interested in the problem of distribution. Credit is due to these authors for having highlighted an important problem, which concerns justice not only as a virtue, but also as a guiding principle in economic policy decisions. The principal question is: did Smith consider a problem of justice the issue of whether the poor had enough to live on, and of (economic) distribution in general? The history of this argument, as regards its classical origins, stems from the justice-beneficence relationship derived from Cicero but expanded on exceptionally in the modern age, as I have already


underlined in some of my previous works. It is of course an ethical problem, with all its inherent juridical and economic connections. Briefly, Smith –like the majority of thinkers in his day– was convinced that justice did not challenge the institution of property, from either a legal or a moral point of view, nor even because it excluded the vast majority of the human race. As a logical consequence, and given that such unequal distribution was regarded as just, it was impossible to admit at the same time that the poor were entitled to rebel against such a state of affairs as unjust to themselves.

According to this interpretation, Smith apparently succeeded in eluding the clash between these two opposing forces by assuming that luxury, or what was superfluous for the rich, constituted a stock that provided work and hence sustenance for the poor. The underlying argument was that when society as a whole becomes richer, there are benefits for the rich and the poor because, as it is expressed today: “the rising tide lifts all boats”. Therefore, inequality is not dispensed with entirely, but it is no longer brutally stated that the poor remain poor and that is that. Interpreted in this sense, it comes as no surprise that Smith became recently the star of conservative politicians.

59 Smith effectively said (during a lecture) “they (sc. the poor) must either continue poor or acquire wealth in the same manner as they (sc. the rich) have done” (LJA iv.23). If we ask ourselves how the rich did so, the answer is in WN: “that valuable property (...) is acquired by the labour of many years, or perhaps of many successive generations”. WN V.i.b.2. See Vivenza, G. (2001a), pp. 99-100.
60 There are also leftist interpretations, of course; see recently McLean, I. (2006), pp. 90-91.
IV. Justice and right(s)

I have already expressed certain reservations on the interpretation of Smith’s “economic” justice and the related question of distribution\(^61\), not in terms of their substance but rather because some interpretations link these arguments to Scholastic philosophy and hence to Aristotle, who, as we know, distinguished between commutative and distributive justice. Although Smith discusses this at TMS VII.ii.1.10, in my view it is incorrect to set Smith’s considerations on distribution within an Aristotelian-Scholastic context. Some recent interpretations maintain that Smith resolved the Aristotelian-Scholastic dichotomy by combining commutative and distributive justice: they assert in particular that effective commutative justice could work also as a (form of) just distribution\(^62\). In reality, reducing everything to commutative justice in a feudal regime such as the one in which Smith lived presupposes that a real injustice is done to a person treated out of keeping with his social status (e.g. an equal treated as an inferior). This being a real iniuria, it must be redressed, either with civil or criminal justice: nevertheless, it is commutative justice in the sense that the “wrong” done was detrimental to the right of a person.

Besides, the perception of distributive justice in Smith’s day and age still reflected the feudal structure of society (unknown to the ancient world, and so to Aristotle). In feudal society, the type of offence differed, and was managed differently, according to whether the status of those involved was equal or unequal. Social and political functions were differentiated in the same way\(^63\). It is important to bear

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\(^63\) I have treated this aspect in Vivenza, G. (2008).
this historical aspect in mind: in this case, it would be anachronistic to use our modern parameters, which originated after the French Revolution and the Declaration of Rights.

Today, distributive justice is usually defined as duty of the community towards the individual. Endeavours to correlate Smith’s thought with the two forms of Aristotelian justice in such an anachronistic context (the above definition of distributive justice is modern, not ancient) has produced manifold results. Some assert that the commutative justice from which Smith starts has a distributive effect on market processes through the system of natural liberty; others suggest that certain distributive problems are so serious that they call for the application of commutative justice64. In my view, the variety of positions is explained by the fact that the two forms of Aristotelian justice presuppose an irreconcilable difference, rarely emphasised: commutative justice assumes that the parties are of equal status, distributive justice that they are unequal. Reconciling this difference is an arduous task: indeed some scholars conclude that, in Smith’s interpretation, the two justices differ simply because Smith thought that inequality worked better65. Others, however, have rightly emphasised that the activity of trade by itself puts the traders on an equal footing, even if only for the transaction66. In fact, we could add, this is exactly how commutative justice differs from distributive justice: the commercial world is grounded on the former.

In this type of argument, we inevitably discuss rights. In relatively recent years, it has been asserted that the concept of a right as something relating to the person is modern, and as such, unknown to

classical antiquity. Such an assertion has been contested rather wisely, but we will not explore this aspect further here. Starting from rights, several authors have attempted to explain the contrast between the two Aristotelian justices with the Scholastic division of *ius* into two categories: *ius in re* and *ius ad rem*. In English, the two Latin expressions are usually translated as “one’s own” and “one’s due”. *Ius in re* is said to concern commutative justice, and *ius ad rem* distributive justice. If we take into account the natural law definition of perfect/imperfect rights formulated by Grotius, on the basis of the Aristotelian subdivision into general justice and special

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67 Tuck, R. (1979), p. 7. The argument spread like wildfire, but it would be advisable to consult a Romanist. Tuck’s main source seems to be M. Villey, opposed by S. Pugliese, but Tuck himself seems to stick to Villey’s interpretation (1979), pp. 7-13. To deny that the Romans had a concept of subjective right seems to me rather audacious, but this seems to be the fashion today.

68 By Miller, F.D. (1996), contested by Brown, V. (2001). These two authors are only interested in the Greek part of the subject, namely Aristotle, and do not deal with Roman law.

69 Tuck, R. (1979), pp. 14-15; Tully, J. (1979), pp. 121-122. Since then, almost everyone has used this definition as a methodological instrument: for example Teichgraeber, R.F. (1986), p. 23; Salter, J. (1994), p. 302; Salter, J. (2000), pp. 140-42. See however comments by Witztum, A. (1997), pp. 249-50 and Witztum, A. (2005). Salter and Witztum have argued over distribution in Adam Smith, relating it to justice. I do not wish to enter their argument, although interesting, because it overlooks any reference to Roman law, which Smith uses as a framework to present many of the points they discuss. Both authors ‘elaborate’ on Smith’s text, in the sense that they reach conclusions which cannot exactly be traced back to Smith. Perhaps it is unfair in the case of two valid scholars, but I cannot avoid citing K. Tribe: “…Smith’s own arguments have for so long been pulled apart and reassembled for other purposes (…) that any direct contact with Smith’s own line of reasoning has long disappeared from the literature”. Tribe, K. (2006), p. 61. Excessive, perhaps, but it conveys the idea.
or particular justice\textsuperscript{70}, the result is: perfect right=$ius in re=$commutative justice; imperfect right=$ius ad rem=$distributive justice.

The point is that distributive justice is sometimes presented as something expected, or due, but not received. In terms of justice, Smith therefore is deemed to be referring to what one has already received, to which one has a perfect right; one has no true rights to what one does not yet have\textsuperscript{71}. The emphasis shifts from not having a perfect right to something, to not having something—which is irrelevant, in reality. But perhaps it helps to explain why, when referring to distributive justice in Adam Smith’s thought, many tend to interpret it as economic distribution: it is a question of organising the economy, utilising resources so that they are allocated according to certain criteria. At this point, it is not necessary to establish whether critics consider Smith’s distribution equalitarian—in its assumptions at least—or whether Smith considers it “just” when the poor have enough to live on respectably while maintaining social differences. What counts is that everyone is convinced that when Smith refers to distributive justice, this is what he means. I am not sure this is true. Smith certainly had some distributive concerns\textsuperscript{72}, but they should be set apart from his comments on distributive justice. If I

\textsuperscript{70} See Haakonsen, K. (1999), p. 50 (=254). The distinction is in Pufendorf, \textit{De jure} I.i.19; I.7.7.

\textsuperscript{71} After Tully, J. (1980), p. 67, many repeated this; see Salter, J. (1994), p. 302: “For Grotius, justice presupposes actual possession. It was a right on what one already possessed (\textit{ius in re}) and it excluded a right in what was one’s due (\textit{ius ad rem})” (\textit{contra}, Witztum, A. (2005), p. 283). In reality I am not altogether sure that there isn’t a “perfect right” also to one’s due; perhaps Pufendorf’s phrase has been interpreted too literally: \textit{quod ex iure perfecto mihi debetur, id aliquo modo (=as it were) iam meum esse intelligitur} (\textit{De iure naturae et gentium}, I.vii.11, my italics). As for Grotius, he did not say what Salter claims.

\textsuperscript{72} Even if they have been examined only recently, and with due caution.
am not mistaken, Smith mentions distributive justice only in relation to Aristotle and the Scholastics.

I wish to draw attention to the brief note in which Smith distinguishes between Aristotle's distributive justice and the one that he has just described. At TMS VII.ii.1.10 Smith in fact explains that the moderns (starting from Grotius) define distributive justice as observing and maintaining correct relationships with the people we interact with; conceiving the degree of consideration (respect, esteem etc.) which is due to them, and acting accordingly. Even if he makes no explicit reference to social classes, and probably includes sentimental as well as formal relationships, Smith states clearly that all our behaviour should be motivated by the degree of the relation between others and ourselves. The argument is analogous at TMS VII.ii.2.11, where the two justices are described as “to abstain from what is another's” and “doing proper good offices to different persons, according to the various relations of neighbours, kinsmen, friends, benefactors, superiors, or equals, which they may stand in to us”. Let us grant that Smith is referring here to Epicurus, from whom he distances himself: indeed Epicurus considers justice “no more than discreet and prudent conduct with regard to our neighbours”, not in the name of righteousness but merely for a quiet life. Nevertheless, the two justices are described in exactly the same way at TMS VII.ii.1.10; in particular, distributive justice is described as a connection between different degrees of social relations. Smith only mentions interpersonal relationships; whereas his note on Aristotle makes it clear that the distributive justice of the Greek philosopher aimed at a “proper distribution of rewards from the public

73 In LJA i.14-15 Smith attributes the distinction between perfect and imperfect rights to Pufendorf, as a source for “Hutchinson” (=Hutcheson), and therefore affirms that commutative justice is related to perfect rights and distributive justice to imperfect rights. If I remember rightly, this argument is absent in LJB, which centres principally on the distinction between real rights and personal rights, and between natural and acquired rights.
stock of a community”. We inevitably get the impression that Smith was aware that modern distributive justice was principally a question of respecting hierarchies and social classes (naturally with its inherent duties and advantages, although no mention of these is made\textsuperscript{74}); the ancient version was a truer form of distribution, although it did not include only material goods: Aristotle also speaks of “honours”. However, the “distribution of rewards (...) from a community” gives more the impression of a distribution managed autonomously by the community itself, than of a hierarchy in which everyone is involved from the start and to which there is no alternative but to abide by.

We should be aware that Aristotle also ranked in hierarchical order the various types of personal relationship, but only within the family (political relationships were equalitarian in the classical polis\textsuperscript{75}); however, he did not include them within the framework of distributive justice.

Smith certainly knew that Aristotle was referring to a concrete form of distribution, namely the subdivision and assignment of positions, offices, honours, riches and relations already existing in the social structure, rather than something desirable or planned for the future. Distributive justice was a definition, not a scheme –except of course in utopian exercises. The point is that in post-medieval theories –unlike classical ones– distributive justice represented the way in

\textsuperscript{74} Here I will merely point out (and may well develop the argument in future) that Grotius described distributive justice as a reward given by the state to people who stand out for their merits; he also claimed that both the ancients and the moderns treated it as a part of law itself. Smith clearly took a different stance.

\textsuperscript{75} Grozio had underlined, clearly following Aristotle, the difference between an equal society (siblings, citizens, friends, and allies) and an unequal society (father and son, master and servant, etc.); he asserted that justice differs between these two types of society. See Del Vecchio, G. (1952), pp. 53-54 with note 17, p. 69.
which the authorities (civil, spiritual and divine) dispensed material and immaterial goods: an established system justified by a number of arguments, which could not be disputed without rebelling against authority, socio-political relationships and dominant cultural positions. Proposals for change before the Declaration of the Rights of Man and the abolition of feudal privileges were radical and utopian, and were considered inappplicable. Nevertheless, when Smith is concerned with just distribution, it is something else.

Quite rightly P. Werhane writes: “Nowhere, in any of his writings, does Smith draw up a notion of distributive justice”76, referring us to the numerous passages in which the expressions “equity, equality, equality of treatment” indicate that if economic policies are prevented from distorting business, there will be a tendency towards equality77—which is all Smith has to say on this topic.

V. Concluding remarks

My title refers to two different things, principles and virtues; but they are connected on this point, because we normally think that a system of laws is based (or should be) on “virtuous” principles. On what principles legislation is grounded? Writing a treatise on this was the challenge Smith did not live to meet. But certainly they were principles of “natural equity”78, among which we may suppose he

78 I feel compelled to observe that the British jurisprudential system has that famous principle of “equity” which does not exist in the continental systems. My competence is not sufficient to deal with a subject out of my knowledge, but the Scottish legislation was more similar to the continental than to the British, as far as I know. Smith’s idea was to write about “the foundation of the laws of all nations” (TMS VII.iv.37), so he would have taken into account this basic difference. Perhaps the reason why no ancient moralist attempted “an enumeration of the rules of natural equity” (ibid.) is precisely because they had to do with a written code of laws, not with an abstract principle of equity.
counted respecting hierarchies, giving everyone his due in terms of acknowledging rights and wrongs, and so on. Justice as a virtue, on the other hand, means to find out its relationship with all the other virtues: this involves different types of problems. For instance, there are virtues more or less necessary to society—we know that justice is the only one indispensable, but how to deal with the other virtues? Another problem is man’s quarrelling nature: we owe to it the origin of property, justified since the Middle Age with the fact that it had proved impossible to preserve the original community, established by God, in the property of land. Here the problem is rather man’s lack of virtue: property is acquired by labour, says Smith, and this is the legitimization of the right; but Smith is clear on the fact that man would prefer to have it by violence, or by an unjust legislation which could redistribute property by giving to the poor the land of the rich. So, we may infer that unequal distribution is just not only because it stimulates man’s activity, but because it reflects a previous merit, so to speak, by the former proprietor, that renders it just that their descendants keep the property.

The best-known classical definition of justice is that of Ulpian: honeste vivere, alterum non laedere, suum cuique tribuere. This is a legal definition; the concept of justice as a virtue already had a lengthy history, dating back to before Aristotle and Plato, and which would occupy too much space here.

In the modern age, suum cuique tribuere evolved towards the sense of “to give everyone his due”, acquiring a “distributive” meaning which

79 Dig. I, 1, 10; cf. also Inst. I,1.1: Iustitia est constans et perpetua voluntas ius suum cuique tribuendi.
80 Whose relationship with Aristotelian distributive justice have been indicated: “in the formula of proportional equality according to merit”. Del Vecchio, G. (1952), p. 55.
was more suited to modernity, characterised by a division into classes, each with different rights.

On the other hand, the ancients had already performed an important (philosophical) role by highlighting the distinction between equal and unequal relationships, represented by the two forms of Aristotelian justice. The latter derived from two different forms of equality, which Aristotle expressed in terms of (arithmetic and geometrical) proportions; on the other hand, other authors (Plato, Isocrates) were in favour of distribution based on merit, and were critical of equal distribution for all81. And there were, as we have said, decidedly unequal relationships within the family. Evidently, the classics had already identified a series of articulations of the concept of “equality” on which justice should be grounded. For them, in all likelihood, the legal suum cuique tribuere was connected with the moral “everyone his due”. In the modern age, however, this fitted very well with justice differentiated according to category, namely with a legal concept82. Indeed, giving everyone his due in relation to his social value implied recognition of the different hierarchical levels, a legacy of feudalism present in Europe but not in America or some other places. I would like to underline that this “hierarchical” aspect is rarely considered in contemporary literature, perhaps because we are no longer accustomed to thinking in terms of aristocracy, clergy and the Third Estate. But hierarchies existed in Europe at the time, although they were beginning to break down thanks to progress in economic activity. Through his language, Smith was one of the first to signal the incipient change in the perception of social structure, and to contribute to the new understanding of the term


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“class” in productive society. Nevertheless, he still lived at a time when differences in social status and rank were alive and kicking.

“Smith communicated a mixed set of old and new status concepts. (.....) The fact, however, that he converted the entire structure of status into a system dependent on economic circumstances laid the foundation for the modern language of ‘class’”83.

As far as the question of distribution in Adam Smith is concerned, once it is clear that his is entirely different from Aristotelian-Scholastic distributive justice, we can agree that Smith deemed right and proper an improvement in the level of life of all social categories —and of wage labourers in particular— even though he did not treat the question explicitly.

From a more general standpoint, I would say that Smith contemplated justice principally in terms of correct behaviour at all levels. As a virtue, it encompassed all the characteristics of classical justice, but Smith accentuated those closest to his heart. For example, justice includes all the other virtues84 and is superior to them because society cannot exist without justice85. Nevertheless, justice is superior also because it establishes the degree of “propriety” of the virtues themselves. For instance, an excess of benevolence that results in carelessness or neglect of one’s own legitimate interest is a failing86. Here, in addition to the Aristotelian golden mean, we perceive also that justice is a measure. Even the fact that the spectator is defined

83 Wallech, S. (1986), p. 425. In the view of this author, it is only the “stability” of Smith’s economy that explains why he still uses the old language of “ranks” (p. 423 and p. 425). I would suggest that, however moribund, the old categories of the ancien regime were still valid, and it was quite natural for everyone to use them, even Smith—despite his innovative economic thought.

84 TMS VII.ii.1.10 for distributive justice.

85 TMS II.ii.3.4.

86 TMS VII.ii.3.16.
“impartial” is related to justice\textsuperscript{87}; it is no coincidence that the sympathetic reaction occurs only when a sentiment is expressed in the just measure.

From an economic standpoint, just behaviour implies not damaging others—and not even oneself. Perhaps this concept is better known in its inverse form: every man should look after himself, and in so doing will look after society. Smith does not make it entirely clear how this comes about, as the unresolved issue of the “invisible hand” testifies. Everyone has their own explanation: the workings of the market, or the impersonality of the bargaining that makes the parties equal, be they duke or commoner. The slow and relentless march of trade and manufacturing\textsuperscript{88} will put them on the same level, and inevitably grant them the same rights in the end, by gradually eroding the dependence of the labourer on the privileged rich man.

Naturally, I am not sure whether this truly reflects Smith’s thought on justice. Perhaps we should stick to his description of the labouring poor: however modest their lifestyle, it was always better than that of an African king. Nevertheless, they required help and protection when social and economic progress was too harsh. Such a concept came to him not from the classical authors but from the world in which he lived. There is a common idea of justice not only as a basis for laws, but also as a virtue that implies respect for oneself and sensitivity towards others.

\textsuperscript{87} Del Vecchio, G. (1952), p. 173.
\textsuperscript{88} WN III.iv.10

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