**Liberty and Good Government in Adam Smith[[1]](#footnote-1)**

Paolo Silvestri[[2]](#footnote-2) and Benoit Walraevens[[3]](#footnote-3)

**Abstract**

What does Adam Smith mean by ‘good government’? How is it related to Smith’s system of natural liberty? No extensive or specific treatment of these hermeneutical issues has been given in Smith’s scholarship. We show how answering these questions is fundamental to having a new and different interpretation of the various links between the legal, political, ethical and economic aspects of Adam Smith’s reflection. The great theme of good government, which runs through the whole history of political-legal thought, if read in relation to the system of natural liberty, suggests the possibility of a better understanding of the thought of the father of ‘Political Economy’ as the “science of legislator” and the new art of good government. In the light of our interpretative hypotheses, we aim to give a new significance and cast light on Smith’s unfinished project of new science of society.

*Key words:* Liberty; Good Government; Adam Smith; Mixed Government; Legislator; System of Natural Liberty; Political Economy

*JEL classifications:* B12, B31

1. Introduction[[4]](#footnote-4)

What does Adam Smith mean by “good government”? How is this concept related to Smith’s view of the “system of natural liberty”? No extensive or specific treatment of these hermeneutical issues has been given in Smith’s scholarship. We believe that finding possible solutions to these issues may foreshadow multiple implications as much as in Smith’s scholarship as in the history of economic and legal-political thought.

“Good government” persistently recurs in Smith’s works. The statement “commerce and manufactures gradually introduced order and good government, and with them, the liberty and security of individuals …” recurs, *as a refrain*, three times in Book III of the *WN*, which is, notoriously, a central juncture of the *WN*. Moreover, this book is considered as the oldest part of the *WN,* with a distinctly “polished” style(Skinner 1975).

For Rasmussen (2017: 162), this statement about the link between commerce, liberty and good government is not only the “climatic claim” of Book III, but “the single most important passage in the Wealth of Nations” because it is the key to his defence of commercial society (Rasmussen 2006: 639). However, Rasmussen (as well as other scholars), provides an interpretation of “good government” limited to its most obvious meaning, namely “rule of law” (2017: 163, 164). In truth, the idea of “good government” also recurs at other crucial points in Smith’s works, where he resorts to other similar concepts such as “regular government”, “well-governed states” or “bad government”, or when he addresses his “political economy” discourse to the wise statesman or legislator, who must be “directed, not by the clamorous importunity of partial interests, but by an extensive view of the general good”, where ‘good government’ is meant here both as government for the common good and as art of governing well.

In this connection, it is striking that no entry was dedicated to “good government” in the analytical index of the *WN*, republished on the occasion of its bicentenary, in the essential and accurate *Glasgow Edition*. Above all, the question regarding the meaning of “good government” in the work of Smith seems not to have been raised until now, not even in the most acute readings of his *Politics* and *Jurisprudence*.[[5]](#footnote-5)

Such a gap in Smith’s scholarship is even more surprising if one considers that the problem of good government is almost an essential *topos* of political and legal philosophy. As Bobbio (1983: 236) has written, “good government and bad government” is “an antithesis that runs through the whole history of political thought, one of the great themes, if not the greatest, of political reflection of all time”. It is an “essential problem”, because “one could say, without fear of exaggeration, that there is no great work of political theory that has not attempted to respond to the question: ‘how should we distinguish good government from bad government?’”

We could add to this that the *topos* of good government often has the characteristics of a *mythos*, especially since “it is difficult, if not impossible, to identify the paternity thereof” (Taranto 2000: 93-94). Like a myth, in fact, from the dawn of time, it has never ceased to feed the speculation of a great number of thinkers both before and after Smith. In addition, like a myth, good government was understood, renewed, and described in a different way every time, continuously varying the meaning and significance thereof: from the mythical good government (*eunomia*) of the wise legislators of Solon and Lycurgus to Luigi Einaudi’s (1954) *Il buongoverno*, until the contemporary, technocratic, and elusive notion of ‘governance’.[[6]](#footnote-6)

Because of this gap in Smith’s studies, and considering the historical and philosophical complexity of the issue of good government, in researching possible responses to our leading questions it is imperative to narrow the field of investigation, and proceed with the utmost caution.

To do this, we will first try to identify the *specific use*, i.e., the way in which Smith re-uses and renews the concept, adhering, as closely as possible, to the text and context of his work. Besides, Smith seems to wish to assert a peculiar, updated use of the ideal of good government, almost as though it were a genuine (re)discovery, made possible, as he himself recognises, via Hume.

Secondly, to proceed with the utmost caution, our arguments about the meaning of Smith’s ‘good government’ will be framed as *interpretive* *hypotheses* that could stimulate a better understanding of his works as well as, hopefully, further suggestions for work or historiographic revisions. We list below the four main interpretive hypotheses (henceforth: ‘IH’) that will direct the reconstruction as much as the interrogation of Smith’s works.

We claim that, in Smith’s thought, the idea of good government:

IH1) has a *synthetic character*, in the sense that it would seem to hold the different aspects – moral, legal, political, economic – of his thought together;

IH2) *emerges and develops* against the background of the fruits of the *TMS* regarding the “mediating” function of the middling ranks in society and in the public sphere, and, above all, in the course of the reflection that will lead him from the *LJ* to the *WN*. In turn, the reflections developed in the *WN* will have a significant influence on the subsequent rewritings of the *TMS*;

IH3) from the moment of its emergence, becomes, for him, both a *descriptive* and *prescriptive idea* for the social order;

IH4) should be thought with regard to the *ideal* and *perfect* system of liberty, equality and justice.[[7]](#footnote-7)

The four interpretative hypotheses are strictly interconnected. To understand their relation, it is useful to retain, as of now, the more general and common meaning of ‘good government’, as good or best ‘constitution’ i.e., the ‘ideal’ type of political community, the *good polity*, organised for the pursuit of the common good. In this regard, it is important to make a terminological clarification to avoid confusion. Since the time of the famous formalization provided by Aristotle, the search for good ‘government’ is the search for the best ‘constitution’. ‘Constitution’ classically means the ‘body politic’ or ‘social structure’, which is the reason why ‘mixed government’ classically stands for ‘mixed constitution’ as the ideal model of ‘good polity’.

The general and common meaning of good government as good polity encompasses, at the same time, a structure (a model of society) and an ideal, or a *telos*, a being and an ought-to-be. In addition, as far as it supposes an ‘ideal’, which inevitably witnesses a deviation from the ‘real’, it seems to suppose a ‘just’ and ‘attentive’ governing in view of the common good.

The paper is organized as follows. We will first introduce and clarify the three most common and general meanings of ‘good government’ – rule of law, government for the common good, and art of governing well – through which we will be able to recognise and identify Smith’s specific re-elaboration of the concept in the context of his works (sec. 2). To this end, we think it is essential to pause to consider those passages in the *WN* in which ‘good government’ appears for the first time in the guise of *mixed government*, in order to understand why, at the time when it is introduced, it *already* has a synthetic function, and why, in contrast, it does not appear where it would seem most natural, i.e., in the *LJ*. We will show how and why this has mainly to do with the evolution of Smith’s thought. Through the analysis of existing junctions between the three meanings of good government we will then underline how it is, simultaneously, a descriptive and a prescriptive idea (section 3 and 4). Lastly, we will emphasise that Smith’s thoughts about *good* government are to be read alongside his plea for the *perfect* system of natural liberty in *WN*. Though impossible to fully implement, the latter serves as a normative benchmark by which every actual (good or bad) and necessarily imperfect government can be assessed, and that it should try to approximate as much as possible, provided existing customs, laws and interests in society (sec. 5). We conclude by providing the main implications that can be derived from our interpretative hypotheses in order to suggest possible historiographic revisions of some key issues of Smith’s thought.

2. Meanings of ‘good government’: from Aristotle to Smith

Since ‘good government’ is a key concept of Western philosophical, political and legal thought, it is important to first specify the meanings of good government as they have been elaborated and inherited from the classics. In this connection, the typological analysis elaborated by Bobbio is particularly useful; it contributes to a first focusing, at least as far as regards the first two meanings of good government.

The first meaning can be summarised in the formula: *government of laws* or *rule of law*, as opposed to the rule of man. It is perhaps unnecessary to point out that the idea of rule of law was most common in Smith’s time and in the common law tradition more generally.[[8]](#footnote-8)

The second meaning is *government for the common good*, as opposed to the government for the private good, whether of a tyrant or side or faction (Bobbio 1983: 237; see also Bobbio 1991).

If, as is known, the Western tradition owes much to the systemisation carried out by Aristotle in his *Politics* for both interpretations, in this context it is worth insisting on some of the possible links existing between the two meanings of good government.

Bobbio had noted that the two interpretations are connected to each other because “the government of laws is good if the laws are good, and the good laws are the ones that aim at the common good”. On the other hand, “the best, safest way, which the governing party has to pursue the common good” is that of “making good laws itself” (Bobbio 1983: 238) or of following laws that establish “general principles”, which, as such, do “not contain the emotional element” that “every human soul”, and therefore any governor too, “necessarily has” (Aristotle, *Politics*, 1286a).

We will see how these two meanings, in the work of Smith, will end up by blending together via the thematization and revival of the ideal of *mixed government or mixed constitution*, reformulated by the philosopher through his analysis of the historical emergence of the role of the middling ranks.[[9]](#footnote-9)

In this connection, the idea that the middling ranks incarnate the *aurea mediocritas* is to be traced to Aristotle’s influential theorizing. In his *Politics* (1266 a-b – 1267 b), in fact, he had not only recognised the need for a balanced distribution of property, but had connected this theme with the search for the “best constitution”, configuring it in the horizon of the “*mesotes*”.

The way in which Smith rereads and renews the ideal of good government is too similar to Aristotle’s theoretical configuration to be ignored, although some differences are inevitable. It is not quite surprising, knowing that Aristotle was an important source of inspiration of Smith’s ethics, and especially for his concept of propriety (*TMS* (VII.ii.1.12).[[10]](#footnote-10) Let us consider now the similarities and then the differences between them on good government.

Consider, as we will see in more detail in the following sections, Smith’s attention to the “common people” of the middling ranks – the incarnation of the virtue of *prudence* –, his attention to the problem of factions, the way in which the middling rank is the necessary “balance” of the social structure, and his references to the figure of Solon, the wise *Legislator*.[[11]](#footnote-11) Last but not least, consider that Smith, like Aristotle, do not conceive the search for the “best constitution” as if the ‘best’ was an unattainable ‘ideal’. In Aristotle’s view ((1988) *Politics*, 1288b – 1295b: 157-159), such a ‘best’, as a normative ideal, is to be judged in relation to a form of life that can be shared by the majority of cities and the majority of mankind. Since virtue is *mesotes*, and since it is necessary that the average life should be the best of that *mesotes* that each person can achieve, then “good government is attainable in those cities where there is a large middle class”.

As for the differences, it is first of all important to remark that the middle class as the *historical-sociological reference* of the Aristotelian *mesotes* is different from Smith’s middling ranks and their potential inclination to *mediocritas*. Secondly, Smith’s notion of individual liberty is modern and, therefore, he did not have an organicistic conception of society that was assumed in the reflections on good government from Aristotle till Middle Ages.[[12]](#footnote-12) For this reason, we can also understand why in Smith the concept of ‘public utility’, ‘public happiness’ or ‘general good’ in relation to the concept of “good government” is much more recurrent than the concept of ‘common good’.[[13]](#footnote-13)

The connections between the first two meanings of good government, underlining the problem of the good governing party or wise legislator, bring us to a third meaning of good government: the *art of governing well or administering public affairs* (or the *res publica*).[[14]](#footnote-14) This meaning, it should be noted, acquires a particular twist in that epochal shift owing to the emergence of the modern “political economy”, characterised by fractures and continuities with the ancient *oikonomia*.[[15]](#footnote-15) This significant shift in the meaning of good government can only be fully grasped in that historical context in which very complex concepts, sometimes used as synonyms, meet and overlap in a peculiar conjuncture of diachrony and synchrony: *oikonomia, polity, police, policy,* and *political œconomy*.[[16]](#footnote-16)

It is in this historical context that Smith was destined to fulfil the role of epochal juncture.

3. The *Wealth of Nations*: mixed government, the middling ranks, and the *mediocritas*

Some scholars have rightly maintained that Book III of the *WN* is the “*locus classicus* of the theme of commerce and liberty” (Forbes 1975: 193), or that the *WN* “can be accurately, if not very fully, described as an extended treatise on the reciprocal relationship between commerce and liberty” (Winch 1978: 70).[[17]](#footnote-17) Nevertheless, in that Book, Smith keeps repeating: “commerce and manufactures gradually introduced order and good government, and with them, the liberty and security of individuals …”, almost as though it were a refrain designed to mark the rhythm and emphasise meaning and destination of a process. In our view, good government is the *regulating criterion* that oriented Smith’s historical reconstruction of the relationship between commerce and liberty. Therefore, a better way to define Book III would be: “the *locus classicus* of the theme of commerce, good government and liberty.” A more thorough exploration of this *locus* is, therefore, needed.

The main object of Book III, entitled *Of the Different Progress of Opulence in Different Nations* is the “the great commerce of every civilised society”, namely “that carried on between the inhabitants of the town and those of the country” (*WN*, III.i.1: 376).

One of Smith’s primary concern is to explain the role of *institutions*,[[18]](#footnote-18) i.e., in what way they contribute to the progress of *opulence*. This concern is all the more urgent, since, proceeding from the perspective of the four-stages theory, it consists in understanding how and why the institutions make a qualitative-quantitative leap possible in transitioning from the agricultural stage to the commercial stage, in such a way that the latter positively retroacts on the former. “As subsistence is, in the nature of things, prior to conveniency and luxury”, the development of agriculture (and of the countryside) should precede that of manufacturing and commerce (and of cities). Therefore, the problem is to understand how and why, in all modern European states, this natural order of things has been “entirely inverted” (*WN,* III.i.9: 380).

In this regard, Smith retraces the history of Europe through a learned weaving of economic, social, legal, and political factors. In particular, he tries to grasp both the existing connections between the distribution (and concentration) of property (especially land property) and the relationships of power and equilibrium between different social classes, and the way in which the relationship between property and power is reflected at the institutional, legal, and political level.

Smith notes that “how servile soever may have been originally the condition of the inhabitants of the towns”, thanks to the protection and privileges conceded by princes and king, “they arrived at *liberty and independency* much earlier than the occupiers of land in the country” (*WN,* III.iii.3: 399, italics added). Through these concessions and privileges the free towns, corporations, and citizens’ institutions were born: with their own magistrates, a form of self-government, and a defence militia.

The emergence of these institutions, and of those that Smith calls “independent republics”, was the *unintentional* result of the evolution of the *equilibriums* and of the power relationships connecting the king, lords, and townspeople. Though only for reasons of opportunism and self-interest, the king and townspeople aligned against the lords, thus favouring the emergence of modern parliaments (*WN,* III.iii.8: 402).

The concession of privileges and the development of the cities arose from here. Although only the Italian and Swiss republics reached full independence, nonetheless, the cities of France and England became so important that “the sovereign could impose no tax upon them […] without their own consent” (*WN,* III.iii.11: 404). In this way, the “burghers” slowly installed themselves in the assembly of the general states, and, since they were generally more favourable to royal power, it seems that their deputies were sometimes used by the king “as a *counterbalance* in those assemblies to the authority of the great lords. Hence the origin of the representation of burghs in the states-general of all the great monarchies in Europe” (ibid.).

Order and *good government*, and along with them the liberty and security of individuals, were, in this manner, established in cities at a time when the occupiers of land in the country were exposed to every sort of violence. But men in this defenceless state naturally content themselves with their necessary subsistence, because to acquire more might only tempt the injustice of their oppressors. On the contrary, when they are secure of enjoying the fruits of their industry, they naturally exert it to better their condition, and to acquire not only the necessaries, but the conveniences and elegancies of life. (*WN*, III.iii.12: 405, italics added)

In turn, the development and richness of the commercial and manufacturing cities contributed to the progress of the countryside in several ways. Among them, the emergence of good government and liberty is “the least observed”, but “by far the most important of all”:

Commerce and manufactures gradually introduced order and *good government*, and with them, the liberty and security of individuals, among the inhabitants of the country, who had before lived almost in a continual state of war with their neighbours and of servile dependency upon their superiors. This, though it has been the least observed, is by far the most important of all their effects. Mr. Hume is the only writer who, so far as I know, has hitherto taken notice of it.[[19]](#footnote-19) (*WN*, III.iv.4: 412, italics added).

What had Hume grasped that was so important? In *Of Commerce*, and especially in *On refinement in the arts*, picking up the famous *doux commerce* thesis[[20]](#footnote-20) – Hume pushes further. The development of commerce and, with it, the emergence of the middling ranks, interrupts the process of polarisation of society into two classes – the landlords and the renters – that continuously feeds the tyranny of the former and the servitude of the latter.

Where luxury nourishes commerce and industry, the peasant, by a proper cultivation of the land become rich and *independent*; while the tradesman and merchants acquire a share of the property, and draw authority and consideration to that *middling rank of man*, *who are the best and firmest basis of public liberty* (Hume 1963c: 284, italics added).[[21]](#footnote-21)

If the novelty of Hume, compared to the other Scottish philosophers, consisted in giving a “*political* meaning” (Winch 1978: 101) to the *middling ranks*,[[22]](#footnote-22) in turn, *the novelty of Smith* lies in the fact that he “*constructs a whole model of society*” *around the middling ranks* (Pesciarelli 1988: 177n, italics added) (sec. 4.1). We would go further. Smith takes Hume’s considerations to a higher level of abstraction and synthesis.

Through the emergence of the middling ranks, Smith sees not just the ideal of mixed government, of “free government”, and of a renewed government of laws, as Hume did,[[23]](#footnote-23) but also the emergence of a good polity. Such a good polity is *not only the product of a spontaneous order but is something to pursue through the legislator’s sound and prudent management* (see sec. 4.3 and 5). Before exploring these points, it will now be useful to return to Smith’s reconstruction.

3.1. On the causes of good government: market and freedom as independence

Paying particular attention, again, to the balancing of different powers and social classes, Smith seems to wish to further specify the causes of good government.

[Although the introduction of feudal law tends to strengthen] the authority of the king, and to weaken that of the great proprietors, it could not do either sufficiently for establishing order and *good government* among the inhabitants of the country, because it could not alter sufficiently that state of property and manners from which the disorders arose. (*WN*, III.iv.9: 417)

It was only through the silent and imperceptible work of commerce and manufacturing that the violence of feudal institutions could be limited and, thus, one could escape from this situation. Commerce and manufacturing, in fact, by introducing luxury, pushed the lords and barons to embark on increasingly lavish expenses, until they had to get rid of their tenants and retainers: “for the gratification of the most childish, the meanest, and the most sordid of all vanities, they gradually bartered their whole power and authority” (*WN,* III.iv.10: 419).

This also allows us to explain what, for Smith, is one of the main virtues of the market, i.e., to make greater liberty, like independence, possible thanks to the fragmentation of power. With the development of commerce and the corresponding expansion of markets and, as a result, the increase in the division of labour, the number of people who can call themselves free, in so far as they are independent, increases. (*WN,* III.iv.12: 420)

The tenants having in this manner become independent, and the retainers being dismissed, the great proprietors were no longer capable of interrupting the regular execution of justice or of disturbing the peace of the country. […] Having sold their birthright, […] for trinkets and baubles, […] they became as insignificant as any substantial burgher or tradesman in a city. A *regular government* was established in the country as well as in the city, nobody having sufficient power to disturb its operations in the one any more than in the other”. (*WN**,* III.iv.15: 421, italics added)

The emergence and the establishment of a “regular government” was not only the *unintentional* result of the diverse behaviours of land owners on the one hand, and merchant and artificers on the other, but also and above all a “*revolution of the greatest importance to the public happiness*” (*WN,* III.iv.17: 422, italics added).

**4. From the Lectures on Jurisprudence to the Wealth of Nations back to the Theory of Moral Sentiments**

Now it is time to understand how and why the three meanings of good government are synthesized in the way and at the very moment in which Smith introduces the concept of good government. We first provide evidence of the existence of the first two meanings of good government (sec. 4.1), then we show how they are (already) present in Smith’s reflection on the good government as mixed government / mixed constitution in Book III of the *WN* (sec. 4.2). Then we focus on the presence of the third meaning of good government (sec. 4.3 and 4.4) (to which we will return further in the next section). By doing so, in these three subsections we also aim at confirming, respectively, our IH1, IH2 and IH3.

4.1. Government of law and government for the common good

First of all, the fact that the first meaning of good government as *government of laws* is present in Smith’s reflection could seem obvious, since the idea of the rule of law is rooted in the common law tradition.[[24]](#footnote-24) Suffice here to remember that in the *LJ*, in the part relating to *Public Jurisprudence*, and right where Smith confronts institutional themes treated in Book III of the *WN*, the liberties that the English have conquered thanks to the institutions and customs of the Common Law are re-traced in a historic key (*LJ(B),* 61-75; *LJ (A),* IV.167-V.45).

Within the limits of our analysis, it is worth noting how only in the *LJ(B)*, and though referring specifically to the English government, Smith makes a fleeting but important reference to the *mixed government*: “here is a happy mixture of all the different forms of government properly restrained and a perfect security to liberty and property” (*LJ(B),* 63: 421-2). But why exactly did Smith praise (British) mixed government? Certainly because it takes the best of the two main forms of government: monarchies (including aristocracies) and republics (including democracies) (*LJ(B),* 19: 404). It allies the two principles of “allegiance” or “obedience” to the government: the principle of “authority”, which prevails in the former, with the principle of “common or generall interest”, or principle of “utility”, which prevails in the latter (*LJ(A),* v.120: 318; vi.132, 322; see also *LJ(B),* 14: 402).[[25]](#footnote-25) And these principles are endorsed by different kinds of people and characters or, in Smith’s words, they “affect people of different casts.” (*LJ(A),* v.125: 320) The principle of utility is naturally favoured by “the bustling, spirited, active folks, who can’t brook oppression and are constantly endeavouring to advance themselves”, while the principle of authority is more naturally followed by “the calm, contended folks of no great spirit and abundant fortunes which they want to enjoy at their ease, and don’t want to be disturbed nor to disturb others.” (*ibid.*; see also *LJ(B),* 14: 402).

After having commented favourably upon mixed government in *LJ(B)*, Smith immediately adds, almost wishing to point out the existence of different kinds of liberty, that “there are still some other security to liberty”, dependent on additional “established custom”, that is to say: the lifetime appointment of judges that makes them independent of the king, the possibility that the *House of Commons* can subject the king’s ministers to *impeachment*, *Habeas Corpus*, and the institution of the *Courts of Justice* (*LJ(B),* 64: 422;see also *LJ(A),* v.5-8: 271-3). Indeed, in the *LJ* Smith provides a conjectural history of the emergence and development of “regular” government and its different powers with the progress of society and the growth of economic activities. Importantly, he links this progress of government with the rise of modern liberty. Indeed, Smith underlines that “the security and independency of each individual”, supported by the magistrates, “can not be attained without a *regular* government” (*LJ(A),* v.121: 318, italics added) which was unmet in the first ages of society, and that “a judge is *now* […] the source of our liberty, our independence, and our security.” (*LJ(A),* v.109: 313, our italics) This is due to the fact that “the magistrate” (which appeared before laws) should act “in the character of an impartial spectator” (*LJ(A),* ii.90: 104) and for avoiding or limiting the arbitrariness and partiality of his decisions and his power, the legislative power was instituted (*LJ(A),* v.112: 314-5), judges having now “little power […] in explaining, altering, or extending or correcting the meaning of the laws, and the great exactness with which they must be observed according to the literall meaning of the words” (*LJ(A),* v.15: 275). That is why Smith thinks that laws “extend and secure” liberty rather than being a “restraint upon liberty” (*LJ(A),* v.111: 314) and why he praises the “precision”, “accuracy” (*LJ(A),* v.30: 282) and impartiality of the decisions of judges, of juries and of courts of justice (*LJ(A),* v.36: 284; v.104: 311; *LJ(B),* 72: 425). Together with the separation and independence of powers, the presence of counter-powers and the frequency of elections (*LJ(A),* v.5-11: 271-4), the impartial administration of justice is responsible for the prevalence of liberty (that is, the security and independence of individuals) in Great Britain, and constitutes the main source of its prosperity, as it is made clear in the *WN*.

It can also be noted how the Scottish philosopher had confronted the theme of commerce at different points in his *LJ*, without, in any case, giving them that organic synthesis present in Book III of the *WN*, and without a direct link with the emergence-expansion of the middling ranks. Nevertheless, the relationship between commercial development, independence, and security is already configured (*LJ (A)*: 332), just as the positive effects of commerce (“probity”, “punctuality”, “prudent” behaviour) are as widely treated (*LJ(B),* 327-8: 538-9[[26]](#footnote-26)) as the negative ones – such as the blunting of the intellectual faculties of workers, the diminishing of martial virtues and the neglect of education (*LJ(B),* 329-31: 539-40).

In any case, it is worth reiterating, the expression ‘good government’ is lacking, even though Smith remarks that “to remedy these defects would be an object worthy of serious attention” (*LJ(B),* 333: 541). When, in contrast, these same themes are explored again in book V of the *WN*, one could say that the reflection is conducted precisely with a view to good government and having in mind the ruling of a wise legislator (see sec. XXX).

As far as concerns the existence of the second meaning of good government, i.e., *government for the common good* (as opposed to government for private good), the *epilogue* to Smith’s reasoning already mentioned, which precisely because it is an epilogue achieves a moment of synthesis, is particularly indicative: “a *regular government* was established in the country as well as in the city, nobody having sufficient power to disturb its operations in the one any more than in the other” (*WN,* III.iv.15: 421). And no less significant is the fact that this process is defined as “a revolution of the greatest importance for the *public happiness*”.

It is likely that Smith adapted his concept of *regular government* from his master Hutcheson who, approaching the classic theme of different forms of *polity* (“constitution” or “government”) states the following definition beforehand: “there are different forms of polity: of which some are wisely adapted to the interest of society, and are thence to be called regular; other are ill contrived for this purpose, and are irregular” (Hutcheson 1755: 240).

If an ideal model of society is configured and prefigured (see sec. 4.1) in the epilogue to Smith’s reasoning, it is because the ideal of mixed government is able to hold together the first two meanings of good government.

That mixed government is an ‘ideal’ can be deduced, first of all, by difference, from the above-mentioned remark that Smith makes in his *LJ*: “here is a happy mixture of all the different forms of government properly restrained and a perfect security to liberty and property” (LJ(B), 63: 421-2). Here, the reference was only to the concrete form of English government, and the historical reconstruction seems merely descriptive. In Book III of the *WN*, in contrast, we are confronted with a level of abstraction and synthesis that is, undoubtedly, greater, for several reasons. First of all, because Smith, broadening his historical and geographical vision, associates (and thus abstracts from) the Italian and Swiss republics on the one hand, and the French and English representative forms of government on the other hand. Secondly, because economic (mainly the development of commerce), social, legal, and political-institutional factors are held together in his analysis. Thirdly, because the “regular government” no longer (or not only) alludes to a historical and concrete form of government especially since it is present “in the country as well as in the city”. Finally, because the reference to “regular government”, placed in the epilogue on purpose, underlines its *teleological* aspect, namely its conformity with the interests of society.

4.2. Government of Law, government for the common good and mixed government

Why does good government appears only in the *WN* and not in the *LJ*? The most plausible answer is that Smith could rediscover the ancient ideal of good government only after having passed through the moral reflection of the *TMS* and the legal, political, and economic one of the *LJ*.

It would seem that the truly decisive or, rather, catalysing moment of Smith’s speculation is that in which *the central role of the middling ranks, not only for the social order* – as had already emerged in part in the first editions of the *TMS* – *but also for political-institutional stability is brought into focus*. The middling rank is, thus, configured as the *medium* *between* two extremes of *the one* and of *the many*, both at a social level and a governing level. But this could only be grasped through the more mature reflection of the *WN* where the economic analysis of the development of commerce is linked to the consequences for the social structure and balance of power.

What is ‘ideal’, then, in Smith’s mixed government, and which ensures that this is ‘good’ government, is precisely the balancing role of the middling ranks, designed to guarantee social and political order. One could also say that the middling rank incarnates, at an institutional-political level, that function of *middleness* that Smith attributed to it at the social level.[[27]](#footnote-27)

The ideal and normative character of Smithian good government will be better understood when we confront the third meaning of good government. It is, however, now possible to explain *why the mixed government synthesises the first two meanings* of good government.

With reference to the relationship between mixed government and the notion of good government as *government for the common good*, it is, first of all, essential to specify, in order to avoid misunderstandings, that ‘good’ is conceived by Smith not so much positively – as *summum bonum* – but as the absence of the misuse of power and of the dominion of one *side* or *faction*, both over the social whole and in government action. And this is consistent with Smith’s negative conception of justice.

That mixed government is a government for the common (and not the private) good, can be derived from the epilogue of Smith’s reasoning where he resorts to the concept of “regular government”, adding that it is “a revolution of the greatest importance for the *public happiness*”, in the sense that it tends to comply with the general interest (as stated by his master Hutcheson). In other words, the development of commerce, by rebalancing the distribution of property and broadening the number of producers and of independent workers, limits the domination relationships and ensures, as we have seen, that *no one* has “sufficient power to disturb” the action of government anymore, or to interrupt the “regular execution of justice or of disturbing the peace of the country”.

Likewise, since the concentration of property is limited, and along with it the (economic and political) power of landowners, *the mixed government is also a government of laws, not of men*. In other words, it is not only the chances for interference with the “regular execution of justice” that are reduced, but, through the balancing and control of different powers, the *attempts by these powers to place themselves above the law* which *are limited too*.

In this regard, Smith’s addition to the 6th edition of the *TMS*, and, therefore, *after* the *WN*, is highly significant. Here, in a famous hymn to the virtues of the middling ranks, he writes that it “can never be great enough to be above the law.”

In the middling and inferior stations of life, the road to virtue and that to fortune, to such fortune, at least, as men in such stations can reasonably expect to acquire, are, happily in most cases, very nearly the same. In all the middling and inferior professions, real and solid professional abilities, joined to prudent, just, firm, and temperate conduct, can very seldom fail of success. […]. The success of such people, too, almost always depends upon the favour and good opinion of their neighbours and equals; and without a tolerably regular conduct these can very seldom be obtained. […]. In such situations, therefore, we may generally expect a considerable degree of virtue; and, fortunately for the good morals of society, these are the situations of by far the greater part of mankind. (*TMS,* I.iii.3.5: 63)

With regard to the middling ranks, Pesciarelli has particularly emphasised the fact that, through the analysis of the features of the *prudent man* and of the expansion of the middling ranks “in the *TMS*, *the design of a harmonious order, not only moral but also social*, based on the ‘inferior virtue of prudence’ begins to emerge” (Pesciarelli, 1988: 47-48, italics added). In addition, given the mediating function of the intermediate classes in the overall social equilibrium, Pesciarelli believes that Smith constructs “*a whole model of society* around” the intermediate classes (ivi: 177n, italics added). Also, such a ‘mediating’ function is to be understood in all respects: economic-social, political and even with regard to the “administrative” roles that “middle and inferior ranks” have “in all governments” (*TMS*, I.iii.2.5, p. 56).

Now, if the *middling ranks* need to be considered, to all effects, the *hinge* of Smith’s thought,[[28]](#footnote-28) one could say that, even more so, it holds for the idea of *good government*, not only because it *includes* the idea that the middling rank is the *juncture* of the economic-social and institutional-political order, but, above all, because it seems *capable of holding the different aspects of Smith’s speculation together: ethics, economics, politics, and the law*.[[29]](#footnote-29) What would, therefore, appear to confirm the first interpretive hypothesis, that is to say the *synthetic character of good government* in Smith’s thought.

Also, the above-mentioned passage in the *TMS* seems extremely significant precisely because it is an addition made post-*WN,* in which Smith makes reference to middling ranks a dozen times (while there are only a few references in *LJ* and *TMS*). This would seem to further corroborate our second interpretive hypothesis regarding the moment of the emergence of good government in Smith’s speculation.

Moreover, further developing Pesciarelli’s statement, one could maintain that the model of society that Smith configures, and therefore prefigures as an ideal model, refers precisely back to that idea of good government understood in the general meaning of good polity, thus an ideal type of political community, organized to pursue the common good.

4.3. ‘Police’, ‘policy’, ‘political œconomy’, or the art of good government

To understand, then, if and to what degree this model would also be an ‘ideal’ or a regulating criterion, we must, at this point, have a go at the third meaning of good government, previously defined as the art of governing or administering public affairs well. This conception of good government in Smith assumes a decidedly economic meaning, and this is the reason why we believe that it can be equated with the terms: *police*, *policy*, *political œconomy*.[[30]](#footnote-30) In this sense, in our opinion, the proposal that Faucci (1989: 24) put forward of translating (for the Italian translation of the *LJ*) “‘Police’ [into] ‘good government’”, was not at all “rash”. To explain the point, we will make use of a series of textual comparisons.

First of all, keep in mind the teleological definition of police that Smith provides in the *LJ*: “the object of police are the cheapness of commodities, public security and cleanliness […]. Under this head we will consider the *opulence* of a state” (*LJ*(B): 398). This object-purpose would seem to concern the reconstruction undertaken by Smith in Book III of the *WN*, not by chance titled “Of theDifferent Progress of Opulence in Different Nations”. In turn, again in the *WN*, the Scottish philosopher had specified that “the great object of the *political œconomy* of every country, is to increase the riches and power of that country” (*WN*, II.v.31: 372).

To further clarify what we mean to claim, it could be useful to remember those passages of the *WN* where Smith provides the general “Introduction and plan of the work” . He establishes a clear nexus between book III and book IV (and then with book V): starting from the historical reconstruction of the different types of “policy of Europe”, which were developed “*without any regard to, or foresight of, their consequences upon the general welfare of the society*” (book III), he reconstructs the “different *theories* of *political œconomy*” (8: 11, italics added) built upon such policies (book IV).

As known, it is right at the beginning of book IV that Smith provides the famous definition of political economy, “as a branch of the science of a statesman or legislator”(*WN,* IV.introduction.1: 426). One could, then, claim that the reconstruction undertaken by Smith in book III is not merely descriptive; instead, it would seem prearranged to inform or enlighten the legislator of what the best policy in terms of opulence must be.

A proof, an extremely significant one in our opinion, of the fact that Smith has a certain art of governing well in mind, namely the third meaning of good government, can be deduced from the remarkable change in direction that occurs between the *Early Draft* of the *WN* and its definitive version. In theformer, Smith wrote that

it is the immense multiplication of all the different arts, in consequence of the division of labour, which, notwithstanding the *great* *inequalities of property*, occasion in all *civilized* societies that universal *opulence* which extends itself *to the lowest ranks* of the people (*ED*: 566, italics added; the same statement already appears at p. 564).

In approaching the *WN*, Smith declares that

It is the great multiplication of the productions of all the different arts, in consequence of the division of labour, which occasions, in a *well-governed* society, that universal *opulence* which extend itself *to the lowest ranks* of the people. (*WN*: 22, italics added)

This re-writing of the *Early Draft* flowing into the *WN*, is famously crucial in Smith’s vision.[[31]](#footnote-31) It has often been claimed that Smith managed to bracket off one of the main problems on which his own *Enquiry* was based, i.e., the “inequalities of property” and (what have been called) the paradoxes of commercial society, having glimpsed the possibility of their resolution, though only *tendentially*, through the reflection on the beneficial effects of the division of labour.

Nevertheless the above-mentioned re-writing seems to take on additional significance, which has not been explored until now. We could maintain that it is also in the degree to which Smith glimpses the possibility of an ideal model of society or good government, that he will manage to prefigure the possibility of a resolution, again only *tendential*, of the problem of the “inequalities of property” and of the paradoxes of commercial society.[[32]](#footnote-32) We may say that, in Smith’s eyes, “civilized” society was no longer enough: one could no longer merely trust the process of civilization, but needed a “well-governed” society.

Our reflections on the above textual comparisons seem to us to confirm our third interpretative hypothesis, namely, that good government is both a descriptive and prescriptive idea for the social order. While the ‘structural’ (social-economic and institutional-political) element of good government is synthesized in the idea of mixed government, the ‘normative’ element is synthesized in the type of policies designed to keep that structure in dynamic equilibrium.

If this interpretation is correct, in the light of good government some of the dilemmas, paradoxes, contradictions, or ambiguities often imputed to Smith appear to dissolve. The *opposite* effects – positive and negative – of the division of labour – the exaltation of its benefits on the one hand, and the denunciation of its evils on the other – seem to be reconstituted under the banner of that ideal of *middleness* incarnated in good government. This is particularly clear in two suggestions of economic and social policy that Smith gives to the legislator regarding taxation and education. Especially since, it is worth remembering, the *WN* is also *addressed to the legislator*, since *political œconomy* is nothing more than “a branch of the science of a statesman or legislator” (*WN,* IV.introduction.1: 426).

4.3.1. Examples of economic and social policies: taxation and education

To fully understand this point, we need, first of all, to specify that the model of social equilibrium and harmony that good government gestures towards, must be devised in a dynamic perspective and, as already stressed, a tendentious one.

As we have seen, in the stage of overcoming the agricultural-feudal stage, the expansion of commerce and markets, and with them the division of labour, gradually reduce the concentration of property and, in contrast, increase its spread. The great result of this process, largely coinciding with that which Smith calls civilisation, was good government, here understood as mixed government in which social structure and political institutions tend to be harmonised.

In any case, with the additional expansion of the division of labour, Smith perfectly sees the emergence of a new social structure: once the lords and barons are put, so to say, out of play by the social and institutional equilibriums, society tends to polarise, again, into two classes or ‘orders’, namely, capital owners and labourers. If we take into account this dynamic perspective,

Smith’s suggestions to the legislature, especially in *Wealth*, to protect the activities and interests of independent workers and small capitalist-entrepreneurs and to promote state intervention in the field of public education are not surprising and are consistent with the whole structure of his work (Pesciarelli 1989: 47).

In this regard, a suggestion of tax policy that, in virtue of what we have been claiming up until now, is self-explanatory, seems, first of all, significant:

Ground-rents seem, in this respect, a more proper subject of peculiar taxation than even the ordinary rent of land […]. Ground-rents, so far as they exceed the ordinary rent of land, are altogether owing to the *good government* of the sovereign, which, by protecting the industry either of the whole people, or of the inhabitants of some particular place, enables them to pay so much more than its real value for the ground which they build their houses upon; or to make to its owner so much more than compensation for the loss which he might sustain by this use of it. Nothing can be more reasonable than that a fund which owes its existence to the *good government* of the state, should be taxed peculiarly, or should contribute something more than the greater part of other funds, towards the support of that government. (*WN,* V.ii.e.11: 844, italics added)

In another but related context, Smith praises the “well-governed” states of North American colonies in which people pay low amounts of taxes and where the expenses of the civil government are “very moderate” (*WN,* IV.vii.b.20: 574).

In second place, well known and often cited are the passages in which Smith underlines, with a certain apprehension, the effects of intellectual blunting and of “torpor” that the division of labour, the consequent mechanisation of the same, and the related constant and continuous repetition of “few very simple operations” would create for “the labouring poor, that is, the great body of the people”, “unless” – Smith significantly adds – “government takes some pains to prevent it” (*WN*, V.i.f.50: 782). As Smith had explained in the *TMS*,[[33]](#footnote-33)though with more republican overtones here in *WN*, a good government is one which tries to compensate for the lack of virtue of its citizens, or more precisely for the inability of some of them to develop their intellectual and moral faculties in commercial societies (*WN,* V.i.f.49: 781)*.*

Though Smith’s reflections on the issue of education are often cited, it does not seem that his considerations have ever been connected with the ideal of good government, and this is even stranger to the extent that Smith himself recalls it. In arguing in favour of state intervention in the field of education, and always starting from a dynamic perspective, Smith highlights how the division of labour works in such a way that society tends to be increasingly polarised “between the few and the many”: between the few who, in virtue of the class in which they are born or of the work that they do, can increasingly refine their intellectual and moral capacities (*WN,* V.i.f.51-52: 783-4), and the many whose intellectual and moral faculties seem destined to be blunted. Smith, however, maintains that

unless those few, however, happen to be placed in some very particular situations, their great abilities, though honourable to themselves, may contribute very little to the *good government or happiness of their society*. […]. *The education of the common people requires, perhaps, in a civilised and commercial society the attention of the public more than that of people of some rank and fortune*. (*WN,* V.i.f.51: 783-4, italics added)

In a civilised and commercial society, thus, the problem of social harmony (and of the related reduction in inequalities) will no longer depend, or will no longer only depend, on a balanced distribution of property, and the political order will be increasingly influenced, as Hume had already understood, by public opinion.[[34]](#footnote-34) This is where the importance of mass education derives from, Smith highlighting its moral and political benefits.[[35]](#footnote-35) “An instructed and intelligent people” will be “more disposed to examine, and more capable of seeing through, the interested complaints of *faction* and sedition, and they are, upon that account, less apt to be misled into any wanton or unnecessary opposition to the measures of government”. (*WN*, V.i.f.61: 788, italics added)

One could, then, maintain that, for the legislator, the problem is ‘always’ the same: how to maintain that very delicate balance between the parts of the social body, perennially changing, and, therefore, how to preserve what Smith defines as the (good) “constitution”. As he writes in the *TMS*, in another symptomatic addition made post-*WN*,

upon the ability of each particular order or society to maintain its own powers, privileges, and immunities, against the encroachments of every other, depends the *stability* of that particular *constitution*. That particular constitution is necessarily more or less altered, whenever any of its subordinate parts is either raised above or depressed below whatever had been its former rank and condition. (TMS, VII.ii.1.9: 230-1, italics added)

The peace, stability and *order* of society are key elements of Smith’s idea of good government and are for him of “more importance than even the relief of the miserable” (*TMS,* VI.ii.1.20: 226).

4.4. The wise and good legislator

What is, then, the ideal of good government that should guide the *praxes* of an ideal legislator,[[36]](#footnote-36) endowed with “superior” prudence,[[37]](#footnote-37) “like Solon”?

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. Though he should consider some of them as in some measure abusive, he will content himself with moderating, what he often cannot annihilate without great violence. […] He will *accommodate*, as well as he can, his public arrangements to the confirmed habits and *prejudices of the people*; and will remedy as well as he can, the inconveniences which may flow from the want of those regulations which the people are averse to submit to. *When he cannot establish the right, he will not disdain to ameliorate the wrong; but like Solon, when he cannot establish the best system of laws, he will endeavour to establish the best that the people can bear*. (*TMS**,* VI.ii.2.16, 233, italics added)

It is in this often-quoted passage that, perhaps more than in any other place in Smith’s work, we see the elements of ‘structure’ and of *telos* of good government combined together. On the one hand, the structural elements: the “great orders and societies, into which the state is divided” namely the *polity* or constitution (in the classic sense), and, therefore, the mixed government. On the other hand, the normative aspects of good government are significantly re-evoked in the ancient meaning of *eunomia* that here, in any case, persists in the terms of an *absence* owed to the (conscious) gap between the *best system of laws* and the *best that the people can bear*. It is in this gap that the wise and prudent legislator is called to perform his task. He represents the antithesis of the “man of system”, who is “so enamoured with the supposed beauty of his own *ideal* plan of government, that he cannot suffer the smallest deviation from any part of it” and “goes on to establish it *completely* and *in all its parts,* without any regard either to the great interests, or to the strong prejudices which may oppose it.” (*TMS,* VI.ii.2.17, 233-4, italics added) In other words, Smith adds, “he 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” without considering that “in the great chess-board of human society, every single piece has a principle of motion of its own, altogether different from that which the legislature might chuse to impress upon it.” (ibid.) And that “if those two principles coincide and act in the same direction, the game of human society will go on easily and *harmoniously*, and is very likely to be happy and successful.” But “if they are opposite or different […] the society must be at all times in the highest degree of *disorder*.” (*TMS,* VI.ii.2.17, 233-4, italics added) Again, good government is aimed at preserving the “harmony” or balance of society, its order, while *equally* (impartially) respecting the liberty and interests of *all* the different individuals and classes of society.

Finally, if Smith’s seemingly late warnings in the 6th and last edition of *TMS* against the spirit of system of radical political reformers deceived by the beauty of the perfect system of government they imagine in their mind,[[38]](#footnote-38) and that they want to implement all at once,[[39]](#footnote-39) might have been directed towards French revolutionaries, it is more likely to have targeted the “sect” (WN, IV.ix.38: 678) of the French *économistes,* the physiocrats. So, let us go back to the *WN.*

5. From the best to the second-best government: the perfect system of natural liberty and good government

5.1 The system of natural liberty and good government in Wealth of Nations

In his advertisement to the 6th edition of the *TMS,* Smith recalls the plan he had, but which he was never able to complete, to write a book on “natural jurisprudence”, that is on the:

“general principles of law and government, and of the different revolutions which they had undergone in the different ages and periods of society; not only in what concerns justice, but in what concerns police, revenue, and arms, and whatever else is the object of law. (*TMS,* advertisement.2: 3)

Interestingly though, he adds that in the *WN* he has “partly executed this promise; at least so far as concerns police, revenue, and arms.” (*ibid*.) Indeed, it is in the *WN* that we can find some ideas of Smith on the “*perfect*”and “*ideal*” government: not only, as we have seen, in book III, but also at the end of book IV and in book V, in particular with his plea for the “obvious and simple system of natural[[40]](#footnote-40) liberty”, which was not yet conceptualized in *LJ* though he already criticized in these lectures the barriers and restraints on free trade. Let’s start with Smith’s brief definition of the system of natural liberty as that which “establishes itself of its own accord” once “*all* systems either of preference or of restraint” have been “*completely* taken away” (*WN,* IV.ix.51: 687, italics added). As a result, “every man, as long as he does not violate the laws of justice, is left *perfectly* free to pursue his own interest his own way, and to bring both his industry and capital into competition with those of any other man, or order of men.” (ibid., italics added) This “natural system of *perfect* liberty and justice” (*WN,* IV.vii.c.44: 606, italics added) is based on an ideal of “open and fair competition” (*WN*, V.i.e.25: 746), or “free competition”[[41]](#footnote-41) (*WN*, IV.vi.1-2: 545) which fosters the virtues of prudence, frugality, industry and innovativeness[[42]](#footnote-42), though “Smith was not a doctrinaire advocate of laissez faire”, as Viner showed it long ago (Viner 1928). In this system of political economy, and contrary to the other ones,[[43]](#footnote-43) the legislator is impartial towards the interests of the different individuals, social classes and sectors of the economy,[[44]](#footnote-44) respecting an “equality of treatment” (*WN*, V.i.g.9: 793) of all and hence keeping a proper distance with economic interests.

Another essential element of Smith’s “liberal plan of *equality*, liberty and *justice*” (*WN,* IV.ix.3: 664, italics added) is an impartial administration of justice (*WN,* V.i.b.25: 722-3), upon which depends “the liberty of every individual, the sense which he has of his own security” (*ibid*.) and which, “by securing every man the fruits of his own industry, gives the greatest and most effectual encouragement to every sort of industry” (*WN,* IV.vii.c.54: 610), as well as a separation *and* independence of powers (*WN,* V.i.b.25: 723) , in line with his previous claims in the *LJ*.

But what about Smith’s views on the possibility and the necessity to *fully* realize or implement this *perfect* system of natural liberty? His criticism of the physiocrats in *WN* can help us to answer the question. Indeed, what Smith clearly attacks is their “spirit of system”. Compared by Smith to “speculative physicians” (*WN,* IV.ix.28: 673), they are criticized for having wrongly imagined that “the political body […] would thrive and prosper *only* under a certain *precise* regimen, the *exact* regimen of *perfect* liberty and *perfect* justice”, without considering that “in the political body, the natural effort which every man is continually making to better his own condition, is a principle of preservation capable of preventing and correcting, in many respects, the *bad effects of a political oeconomy,* in some degree, both *partial* and oppressive.” (*WN,* IV.ix.28: 674, italics added) He then notes realistically that “if a nation could not prosper without the enjoyment of *perfect* liberty and *perfect* justice, there is not in the world a nation which could ever have prospered.” (*ibid*., italics added) So, there is no necessity to *fully* implement the system of natural liberty for a country to prosper. Nor it is possible, Smith argues. He recognizes that his system of natural liberty (or at least its realization in Great Britain) is a “utopia”(*WN,* V.i.b.25: 723). And yet it can serve as an *ideal* and normative model or benchmark we should try to reach as much as possible, while pragmatically accommodating the “prejudices” of the people (*WN* VI.ii.2.16: 233; *WN,* IV.ii.43: 471) and their private interests (*WN,* IV.ii.44: 471).

If we cannot get the best, we can still reach the second-best, and it is still a good government. So, what should exactly do a wise legislator? Smith offers us a case study with one of the hot topics of his days, the debate on the freedom of the colony trade. A legislator animated by the spirit of system would “open the colony trade *all at once* to all nations”[[45]](#footnote-45) but it “might not only occasion some transitory inconveniency, but a great permanent loss to the greater part of those whose industry or capital is at present engaged in it.” (*WN,* IV.vii.c.44: 606) The problem with the “mercantile system” is that it creates “very dangerous *disorders* into the state of the body politick, but *disorders* which it is often difficult to remedy, without occasioning, for a time at least, still greater *disorders*.” (*ibid*., italics added; see also *WN,* IV.ii.44: 606) Consequently, Smith pragmatically recommends “some *moderate* and *gradual* relaxation of the laws which give to Great Britain the exclusive trade of the colonies” and finishes his paragraph on this issue with an appeal to “the *wisdom* of future statesmen and legislators” in order to determine “in what manner the natural system of perfect liberty and justice ought *gradually*[[46]](#footnote-46) to be restored” (*ibid*., italics added; see also *WN,* IV.ii.44: 471). This can only be done if the “legislature” is “always directed, not by the clamorous importunity of *partial interests*, but by an *extensive view of the general good*.” (*ibid*., italics added), incarnating good government in the second meaning we underlined earlier. So, it is no surprise to meet the figure of Solon later in *WN*, when Smith deals with corn tariffs and claims that “with all its imperfections, however, we may perhaps say of it what was said of the laws of Solon, that, *though not the best in itself, it is the best which the interests, prejudices, and temper of the times would admit of*. *It may perhaps in due time* *prepare the way for a better.*”(*WN,* IV.v.b.53: 543, italics added)

More generally, Smith imagined the system of natural liberty with the North American colonies in mind, which are what comes closest tohis model of *perfect* government. Interestingly, Smith makes of the quality of their political institutions a key of their unparalleled economic growth (*WN,* IV.vii.b.51: 584-5), and also underlines their debt towards British institutions (*ibid*.; see also *WN,* IV.vii.b.64: 590). Thus, Smith praises the colonists’ “*regular* government” and “*regular* administration of justice” (*WN,* IV.vii.b.2: 565), their “complete” liberty “to manage their affairs their own way” which is “secured […] by an assembly of the representatives of the people who claim the sole right of imposing taxes for the support of the colony government” whose authority “over-awes the executive power” (*WN,* IV.vii.b.51: 585). And though these colony assemblies “are not always a *very equal* representation of the people, yet *they approach more nearly* to that character” and cannot be corrupted by the executive power (*ibid*., italics added). Moreover, their “councils”, corresponding to the House of Lords in Great-Britain, “are not composed of an hereditary nobility”, which does not exist in the colonies, but rather from people chosen by the representatives of the people. As a result, there is for Smith “*more* equality” among the English colonists than among people of the mother country and their government and manners are “more republican too” (*ibid*.). This analysis of Smith’s system of natural liberty in *WN* confirms our IH4, according to which in Smith’s work the idea of good government should be thought with regard to the *ideal* and *perfect* system of liberty, equality and justice.

5.2. Positive laws, natural laws and well-governed states in the Theory of Moral Sentiment

To conclude, let us go back to the *TMS* to discuss another essential element of the distinction between *perfect* government and *good* government in Smith, and which is not developed in *WN*: the unavoidable gap between *actual* laws and decisions of justice, and natural jurisprudence[[47]](#footnote-47). Indeed, ideally for Smith, laws should codify the latter, i.e the prescriptions of an impartial spectator or “those rules of natural equity[[48]](#footnote-48) which ought to be enforced by the positive laws of every country” (*TMS,* VII.iv.37: 341). In a very interesting passage in the penultimate paragraph of the book, Smith claims that “every system of positive law may be regarded as *a more or less imperfect* attempt towards a system of natural jurisprudence, or towards an enumeration of the particular rules of justice” (*TMS,* VII.iv.36: 340, italics added) and then remarks:

in all *well-governed* states too, not only judges are appointed for determining the controversies of individuals, but rules are prescribed for regulating the decisions of those judges; and these rules are, in general, intended to coincide with those of natural justice. It does *not*, indeed, *always* happen that they do so *in every instance*. *Sometimes* what is called the constitution of the state, that is, the interest of the government; *sometimes* the interestof particular orders of men who tyrannize the government, warp the *positive laws* of the country from what *natural justice* would prescribe.” (*TMS*, VII.iv.36: 340-1, italics added)

It is noteworthy that the expression “well-governed states” did not appear in an otherwise quite similar passage in a manuscript fragment on justice which is considered by the editors of the Glasgow edition of *TMS* to have been written before edition 1 of the book (*TMS,* Appendix II: 388), confirming our hypothesis that Smith’s interest for and considerations on good government are quite late.

Above all, the above quotation implies that for Smith every system of law and government is always an imperfect attempt at reaching the ideal government, as “in no country do the decisions of positive law coincide exactly, in every case, with the rules which the natural sense of justice would dictate.” (*TMS*, VII.ii.36: 341). A good government or “well-governed” society is one in which *most of the times* laws and decisions of the government are animated by “equal treatment”, “natural equity” and “an extensive view of the general good”.

Conclusions

In sum, good government for Smith is such in so far as: it is a government of laws (and not a government of men), whose laws tend to conform to natural laws and natural justice; it is a government for the common good (and not for the private good, thus directed by the interests of the ruling class alone or subject to the “interest of particular orders of men”); it is directed by a wise legislator, capable not only of governing “in view of the general good,” but of knowing and applying political economy as a branch of the (new) art of governing well.

We have tried to demonstrate the overlooked presence and, above all, the relevance of the theme of good government with its three different meanings in Smith’s thought, how it relates with his reflections on the system of natural liberty, and more generally how it helps to understand the indissoluble link between his thoughts on law, politics, ethics and economics, or his system of social science.

In particular, by confirming our interpretative hypotheses, we have shown how and why: the three meanings of good government are intertwined in Smith’s thought and how and why they emerge in the course of his long reflection; the emergence and rediscovery of the theme of mixed government in Book III of the *WN* – which we properly renamed the “*locus classicus* of commerce, good government and liberty” – ends up encompassing the first two meanings; mixed government indicates not only a social-moral-economic-institutional structure, in which the middling rank should play a fundamental mediating function, but also a *telos*, an ideal to be pursued, the social order (and the social orders) always being in a state of dynamic equilibrium. Hence the role that the statesman or legislator is called upon to play by putting into practice the third meaning of good government, namely the art of governing well, a practice that is transformed by the rise of market, economic activities or commercial society and which will require, from then on, *knowledge* of political economy.[[49]](#footnote-49)

Given the synonymy at the time between ‘political economy’, ‘policy’, ‘police’, and ‘good government’, we could say that political economy, “as a branch of the science of a statesman or legislator”, was ‘still’, for Smith, the art of good government. Nevertheless, the *economic* inflection that the father of political economy gives to good government was destined to change its meaning forever.[[50]](#footnote-50)

In this connection, we also believe we have shed new light on Smith’s science of the legislator – after Winch, Haakonssen and Hont – and on the role of the State – after Young – and that our analysis may well be seen as complementary to theirs.

In this regard, we will limit ourselves here to sketching some of the implications that can be drawn from the examination of the interpretative hypotheses and the hermeneutic reconstruction that we carried out. We believe that the presence and reinterpretation of the theme and ideal of good government in Smith’s work is likely to require a historiographic revision of (at least) the following key issues.

First of all, the issue of the *order* *and its* *nexus with good government and market*. More in particular, if our re-reading of Smith’s works is correct, then a careful reconsideration of the relationship between good government and the role of the legislator on the one hand, and the market and the invisible hand on the other is necessary. In this regard, Young (2005: 91) rightly asks: “is it possible to give a coherent account of Smith’s theory of the role of the state in a system of natural liberty?” The question moves from Viner’s (1928) claims: there is a fundamental tension in the role Smith attributes to the state in *WN*. On the one hand, Smith extols the virtues of natural liberty and unintentional order, which suggest a form of non-interventionism or a laissez-faire policy. On the other, Smith would seem to endorse a significant list or agenda of government interventions. However, in Viner’s account it was not at all clear what the normative foundation of Smith’s theory of the state was. It was only through the works of Winch and Haakonssen that such a normative foundation was found in Smith’s natural jurisprudence. Nevertheless, for Young a certain tension lingers in Smith’s thought. Young shows well how

it is possible to give a coherent account of [Smith’s] position on the role of the state in terms of two dialectical tensions between competing policy norms. These are, first, the relation between justice, understood as commutative justice, and utility, understood as the common good, and, second, the relation between commutative justice and distributive justice, understood as equity (Young 2005: 93).

We believe that our re-reading of good government in Smith can be complementary to Young’s perspective, at least for a better understanding of the “utility” as “common good” and “distributive justice” as “equity”. It is no coincidence that Young, to confirm his claims, rereads Smith’s policies on education and taxation, where, as we have seen, Smith takes up the theme of good government.

We should also note that even ‘good government’ as a model of society would seem to replicate, as we have said from the outset, the ever-existing tension and gap in Smith between real and ideal, praxis and theory (Hont 2005, 110, 388), structure and *telos*. Our reconstruction shows that in Smith there is neither an idea of order as if it were a necessary and immanent automatism, nor an actual list or agenda pointed to the statesman’s interventionism. For Smith it is more a matter of pragmatics and fine-tuning of the wise legislator, endowed with the superior virtue of prudence (among other things, if one reconsiders carefully Smith’s well-known *awareness* of the “folly” and “vices” of rulers,[[51]](#footnote-51) one could reasonably and logically conjecture that Smith could not point to such a “folly” without being, at the same time, aware of a certain idea of wisdom). We have seen such a fine-tuning approach in the famous passage about Solon, in what we have called the second-best approach, in our interpretation of the rewriting of the *Early Draft* of the *WN*, where Smith’s insists on the necessity of a *well-governed society*, aimed at avoiding excessive inequalities and injustices[[52]](#footnote-52), and more generally as implicit in the ideal of mixed government, which is ‘good’ also because avoids the polarization of society between the few and the many.

Last but not least, the always *unresolved issue of the unfinished theory of Jurisprudence*. Hont interprets Smith’s Jurisprudence project as an attempt to address the issue of legitimacy of power left unresolved by Locke, and explained with the two Smithian (and Humean) criteria of “utility” and “authority” and their always potential trade-off.

Smith tried to provide a complete theoretical history of European politics from its early beginnings to his own time, in order to close the gaping hole in Locke’s account of how commerce corrupted politics to such a degree that the damage could be repaired only by revolution. Locke’s consent theory of political obligation was designed to protect and support this conclusion. Smith’s response to Locke lies in his history and theory of the influence of wealth and economic development over European politics from the ancient republics to modern European commercial society. Only by fully understanding its content and implications can we ascertain whether Smith could offer an alternative to Locke’s normative political theory (Hont 2009: 168).

In light of our reconstruction, we can assume that Smith’s response to Locke’s challenge was the rediscovery of good government (strangely not mentioned by Hont), here understood as mixed government, which, as we have seen, encompasses ‘government of law’ and ‘government for the common good’. As Smith writes in the *LJ(B)*, the mixed government is a “happy mixture” not only insofar as it mediates between the one and the many, but insofar as “it allies the two principles of ‘allegiance’ or ‘obedience’ to the government”, that is, “utility” and “authority”. The emergence of the commercial society was a happy epiphany in that it downsized authority-based power (and the violence and coercion of the dark ages of feudalism) in favor of utility-based power. To repeat Smith’s refrain: “commerce and manufactures gradually introduced order and good government, and with them, the liberty and security of individuals ...”.

So we might reasonably claim that the rediscovery of the good government was an integral part of Smith’s natural jurisprudence project of establishing the “general principles of law and government”, which Smith had “partly executed” in the *WN*. Thus, the phrase “general principles of law and *government*” now seems to take on new meaning in light of Smith’s search for *good* government. And good government, in turn, might shed light on the limitations of Smith’s project, which was supposed to point to “general principles”, or rather universal principles, as befits the idea of natural jurisprudence, thus “a theory of the general principles which ought to run through and be the foundation of the laws of all nations” (*TMS,* VII.iv.37: 341-342).

Perhaps complicating Smith’s project was precisely his merely *historical* analysis of the emergence of liberty and good government, which was the result of random, exceptional and, as Smith repeats, wholly unintentional circumstances, and in any case occurred only in a small part of the world. Such circumstances, therefore, could not be “generalized” and, even less, universalized.[[53]](#footnote-53)

This, of course, does not detract from Smith’s gigantic intellectual feat in renewing the ancient myth of good government by giving it a new and fundamental relevance to human liberty, regained through the development of market society.

**References**

Aristotle, 1998, *Politics*, Oxford, Oxford University Press.

Aspromourgos, T., 2008, *The Science of Wealth: Adam Smith and the framing of political economy*. Routledge.

Biziou M., 2016, *Adam Smith and the History of Philosophy,* in Hanley, R. (ed.) *Adam Smith. His Life, Thought, and Legacy,* Princeton University Press, Princeton: 422-442.

Blythe J. M., 2014, *Ideal government and the mixed constitution in the middle ages*, Princeton University Press.

Bobbio N., 1983, *Il buongoverno*, in “Atti della Accademia nazionale dei lincei” (Adunanza solenne del 26 giugno 1981), Accademia nazionale dei lincei, Roma, VIII (5): 235-244.

Bobbio N., 1991, *Governo degli uomini o governo delle leggi?*, in Id., *Il futuro della democrazia*, Einaudi, Torino: 169-194.

Bobbio N., 2004, *Governo misto*, in Bobbio N., N. Matteucci, G. Pasquino (Eds.), *Il dizionario di politica*, Utet, Torino.

Bolingbroke, 1775 [1738],*Letters on the Spirit of Patriotism: On the Idea of a Patriot King.* London: T. Davies.

Bolingbroke, 1841 [1733-34], *A dissertation upon parties*, in Lord Bolingbroke, *The Works*, II, Carey and Hart.

Broadie A. 2010, *Aristotle, Adam Smith, and the virtue of propriety*, “Journal of Scottish Philosophy”, 8(1): 79-89.

Brunner O.,1970, *La “Casa come complesso” e l’antica “economica” europea*, in Id., *Per una nuova costituzione economica e sociale*, tr. it. Vita e pensiero, Milano: 133-164.

Skinner, A.S. and R.H. Campbell., 1976. ““General Introduction” in *An Inquiry into the Nature and Causes of The Wealth of Nations,* Clarendon Press, Oxford.

Clark M., 2021, “Adam Smith as Solon: Accommodating on the edges of liberty, not abandoning it”, *Journal of Economic Behavior and Organization,* 184(April): 739-747.

Croce B., L. Einaudi, 1957, *Liberismo e Liberalismo*, a c. di P. Solari, Ricciardi, Milano-Napoli.

Einaudi L., 1954, *Il buongoverno: saggi di economia e politica (1897-1954)*, Bari, Laterza*.*

Evensky J., 2005, *Adam Smith’s Moral Philosophy. A Historical anc Contemporary Perspective on Markets, Laws, Ethics and Culture,* Cambridge University Press, Cambridge.

Faucci R., 1989, *Smith prima di Smith: note di lettura*, “Quaderni di Storia dell’Economia Politica”, VII/2-3: 17-28.

Fiori S., 2001, *Ordine, mano invisibile, mercato. Una rilettura di Adam Smith*, Utet, Torino.

Fleischacker S., 2004, *On Adam Smith’s* Wealth of Nations. *A Philosophical Companion,* Princeton University Press, Princeton.

Forbes D., 1975, *Sceptical Whiggism, Commerce and Liberty*, in Skinner A. and Wilson T. (eds.) *Essays on Adam Smith* Oxford: Oxford University Press: 179-201.

Foucault, M., 2008, *The birth of biopolitics: lectures at the Collège de France, 1978-1979*. Springer.

Frigo D., 1985, *Il padre di famiglia. Governo della casa e governo civile nella tradizione dell’«economica» tra Cinque e Seicento*, Bulzoni, Roma.

Griswold, C., 1998, *Adam Smith and the Virtues of Enlightenment,* Cambridge University Press, Cambridge.

Griswold, C., 2006, *On the Incompletness of Adam Smith’s System,* “Adam Smith Review”, 2: 181-186.

Haakonssen K., 1981, *The Science of a Legislator*. *The Natural Jurisprudence of David Hume and Adam Smith*, Cambridge University press, Cambridge.

Hanley R. P. 2006, Adam Smith, Aristotle and Virtue Ethics, in L. Montes and E. Schliesser (eds), *New Voices on Adam Smith*, London and New York, Routledge, 39–61.

Hanley R., 2008, *Enlightened Nation Building: The Science of the Legislator in Adam Smith and Rousseau,* “American Journal of Political Theory”, 52(2): 219-234.

Harpham E., 1984, *Liberalism, Civic Humanism and the Case of Adam Smith, “*The American Political Science Review”, 78, 3:764-774.

Hayek F.A., 1978, *Liberalismo*, in *Enciclopedia del Novecento*, Istituto della Enciclopedia Italiana, Roma, vol. III: 982-993.

Heritier P., Silvestri P. (Eds.), 2012, *Good government, governance, human complexity. Luigi Einaudi’s legacy and contemporary societies*, Leo Olschki, Firenze.

Hill L., 2006, Adam Smith on the Theme of Corruption, *Review of social politics*, 68 (4): 636-662.

Hill L., 2016, *Adam Smith and Political Theory,* in Hanley, R. (ed.) *Adam Smith. His Life, Thought, and Legacy,* Princeton University Press, Princeton: 321-339.

Hirschman A. O., 1977, *The Passion and the Interests. Political Arguments for Capitalism before its Triumph*, Princeton University Press, Princeton.

Hont, I., & Hont, R. I., 2005, *Jealousy of trade: international competition and the nation-state in historical perspective*. Harvard University Press: Cambridge Massachusetts.

Hont I., 2009, *Adam Smith’s history of law and government as political theory*, in Bourke, R., & Geuss, R. (Eds.), *Political Judgement*, Cambridge University Press, Cambridge: 131-71.

Hont I., 2015, *Politics in Commercial Society. Jean-Jacques Rousseau and Adam Smith*, B. Kappossy and M. Sonenscher (ed.), Harvard University Press, Cambridge Massachusetts.

Hont I., M. Ignatieff, 1983, *Needs and Justice in the Wealth of Nation*, in *Wealth and Virtue. The Shaping of Political Economy in the Scottish Enlightenment*, ed. by I. Hont, M. Hignatieff, Cambridge University press, Cambridge.

Hume D., 1963a, *Of Civil Liberty*, in Id., *Essay moral, political and literary*, Oxford University Press, London: 89-97.

Hume D., 1963b, *Of Commerce*, in Id., *Essay moral, political and literary*, Oxford University Press, London: 259- 274.

Hume D., 1963c, *On refinement in the arts*, in Id., *Essay moral, political and literary*, Oxford University Press, London: 275ff.

Hume D., 1963c, *Of the middle station of life*, in Id., *Essay moral, political and literary*, Oxford University Press, London: 579-584.

Hume D., *History of England. From the invasion of Julius Caesar to the revolution in 1688*, Ward, Lock and Co., London, [without date, reprint of the edition of 1786], 3 voll.

Hutcheson F., 1755, *A System of Moral Philosophy*, [without publishing house’s name], Edinburgh.

Kurz H., *Adam Smith on Markets, Competition and Violations of Natural Liberty,* “Cambridge Journal of Economics”, 40(2): 615-638.

Matteucci N., 1976, *Organizzazione del potere e libertà*, Utet, Torino.

Mc Ilwain C.H., 1940, *Constitutionalism: ancient and modern*,Ithaca, N.Y.

Mizuta H. 2000, *Adam Smith’s Library,* Cambridge University Press, Cambridge.

Montes L., 2004, *Adam Smith in Context: a critical reassessment of some central components of his thought,* Palgrave Macmillan, London.

De Montesquieu, C., 1989, *The spirit of the laws*. Cambridge University Press.

Neumann F., 1957,The Democraticand The Authoritarian State. Glen-coe: The Free Press.

Pack, S., E. Schliesser, 2018, *Adam Smith, Natural Movement and Physics,* “Cambridge Journal of Economics”, 42(2): 505-521.

Phillipson, N. (1983). Adam Smith as Civic Moralist. in *Wealth and Virtue. The Shaping of Political Economy in the Scottish Enlightenment*,ed. by Istvan Hont and Michael Ignatieff, Cambridge, Cambridge University Press.

Perri, S. – Pesciarelli, E., 1996, *Adam Smith on the relationship between town and country*, “History of Economic Ideas”, IV/1-2: 35-80.

Pesciarelli E., 1988, *La jurisprudence economica di Adam Smith*, Giappichelli, Torino.

Pesciarelli E., 1989, “Struttura sociale e divisione del lavoro in Hutcheson e Smith”, *Quaderni di Storia dell’Economia Politica*, VII/2-3: 37-48.

Pesciarelli E., A. Zanini, 1991, *Prefazione*, in D. Winch, *La politica di Adam Smith*, cit.: XXII-XXIII.

Pettit, P., 1997, *Republicanism: A theory of freedom and government*. Oxford University Press.

Pocock J.G.A., 1983, *Cambridge Paradigms and Scotch Philosophers: A study of the Relations Between the Civic Humanist and the Civil Jurisprudential Interpretation of Eighteenth-century Social Thought*, in Hont, I. – Hignatieff M. (Eds), *Wealth and Virtue. The Shaping of Political Economy in the Scottish Enlightenment*, Cambridge University press, Cambridge: 235-52.

Porta P.L., 1988, *I fondamenti dell’ordine economico: ‘policy’, ‘polite’ e ‘politeness’ nel pensiero scozzese*, in “Filosofia politica”, n. 1, giugno: 37-67.

Rasmussen, D. C. (2006). Rousseau's ‘Philosophical Chemistry' and the Foundations of Adam Smith's Thought. *History of political thought*, *27*(4), 620-641.

Rasmussen, D. C. (2017). *The Infidel and the Professor*. *David Hume, Adam Smith and the Friendship that Shaped Modern Thought.* Princeton University Press.

Rosenberg, N. (1965). Adam Smith on the division of labour: two views or one? *Economica*, *32*(126): 127-139.

Rothschild E., 1992, Adam Smith and conservative economics, *Economic History Review*, 45: 74-96.

Sagar P., 2018, *The Opinion of Mankind: Sociability and the Theory of the State from Hobbes to Smith,* Princeton University Press, Princeton.

Salter, J. (1992). Adam Smith on feudalism, commerce and slavery. *History of Political Thought*, 13(2), 219-241.

Schliesser E., 2017, *Adam Smith. Systematic Philosopher and Public Thinker,* Oxford University Press, Oxford.

Silvestri P., 2008, *Il liberalismo di Luigi Einaudi o del buongoverno*, Rubbettino, Soveria Mannelli.

Silvestri P., 2011, *Buon governo*, in *Dizionario del liberalismo italiano*, Rubbettino, Soveria Mannelli, vol. I: 152-162.

Silvestri P., 2012, Il «good government» in Adam Smith: tra Jurisprudence, political œconomy e Theory of Moral Sentiments, *Teoria e critica della regolazione sociale*: 1-30.

Silvestri P., 2012, The ideal of good government in Luigi Einaudi’s Thought and Life: Between Law and Freedom,in P. Heritier, P. Silvestri (eds.), *Good government, Governance and Human Complexity. Luigi Einaudi’s Legacy and Contemporary Society*,Leo Olschki, Firenze: 55-95.

Skinner A. 1975, “Adam Smith: An Economic Interpretation of History” In *Essays on Adam Smith,* edited by A. S. Skinner and T. Wilson, Oxford: Clarendon Press.

Skinner, A. S., 1996, The Role of the State. In *A System of Social Science: Papers Relating to Adam Smith*, 183–208. Oxford: Oxford University Press.

Skinner, Q., 1998, *Liberty before liberalism*. Cambridge University Press.

Smith A., 1976-1980, *The Glasgow Edition of the Works and Correspondence of Adam Smith*, Clarendon Press, Oxford

-- LJ(A): *Lectures on Jurisprudence* [1978(1762-63)]

-- LJ(B): *Lectures on Jurisprudence* [1978(1766)]

-- TMS: *The Theory of Moral Sentiments* [1976(1759-1790)]

-- WN: *An Inquiry into the Nature and Causes of The Wealth of Nations* [1976(1776)]

-- ED: *Early Draft of part of the* *Wealth of Nations*, in *LJ*: 562-581, 1978

-- EPS: *Essays on Philosophical Subjects* [1980(1795)]

Smith C., 2006, *Adam Smith’s Political Philosophy. The Invisible Hand and Spontaneous Order,* Routledge, New York.

Smith C., 2010, The Scottish Enlightenment’s Reflection on Mixed Government. *Giornale di Storia Costituzionale*, 20: 121-133.

Smith C., 2013, Adam Smith Left or Right?*, Political Studies*, 61: 784-798.

Taranto D., 2000, *Buon governo*, in *Enciclopedia del pensiero politico*, Laterza, Roma-Bari: 93-94.

Viner J. 1928, Adam Smith and Laissez Faire. In Adam Smith, 1776–1926, edited by J. M. Clark et al. Chicago: University of Chicago Press.

Walraevens B., 2011, Corruption des travailleurs et éducation dans les sociétés commerciales selon Adam Smith, *Cahiers d’économie politique,* 60: 11-44.

Walraevens B., 2014, *Vertus et justice du marché chez Adam Smith*, “Revue économique”*,* 65(2): 419-438.

Walraevens B., 2021, *Adam Smith’s View of Economic Inequality,* “Cambridge Journal of Economics”, 45(1): 209-224.

Winch D., 1978, *Adam Smith’s Politics. An Essay in Historiographic Revision*, Cambridge University press, Cambridge.

Winch D., 1983, *The cause of good government: Philosophic Whigs versus Philosophic radicals*, in *That noble science of politics. A study in nineteen-century intellectual history*, ed. by Collini, S., Winch, D., Burrow, J., Cambridge University, Cambridge: 91-126.

Winch D., 1991, “Adam Smith’s Politics Revisited”, *Quaderni di storia dell'economia politica*, 9, 1: 3-27.

Winch, D. (1996). *Riches and poverty: an intellectual history of political economy in Britain, 1750-1834*. Cambridge University Press.

Witztum, A., & Young, J. T., 2006, The neglected agent: justice, power, and distribution in Adam Smith. *History of Political Economy*, *38*(3), 437-471.

Young, J. T., 2005, Unintended order and intervention: Adam Smith’s theory of the role of the state. *History of Political Economy*, *37*(1), 91-119.

Zanini A., 1989, Morale ed economia politica in Adam Smith. Il posto occupato dalla *Theory of Moral Sentiments*, *Quaderni di Storia dell’Economia Politica*, VII/1989/2-3: 29-35.

Zanini A., 1992, La questione della “politics” in Adam Smith. Un commento a Donald Winch, in *Passioni, interessi, convenzioni. Discussioni settecentesche su virtù e civiltà*, a cura di M. Geuna, M.L. Pesante, Franco Angeli, Milano: 181-196.

Zanini, A., 1993, The individual and Society. On the concept of ‘middle conformation’ in Adam Smith’s *Theory of Moral Sentiments*. *History of Economic Ideas*, 1(2): 1-19.

Zanini A., 1995, *Genesi imperfetta. Il governo delle passioni in Adam Smith*, Giappichelli, Torino.

1. **Acknowledgments**: We wish to sincerely thank: TonyAspromourgos, Simon Cook, Maxime Desmarais-Tremblay, Shinji Nohara, Ecem Ocan, Amos Witztum, Adelino Zanini, who gave us very helpful comments on a previous version of this paper. An earlier version was also presented at ESHET Conference (Padova, 2022), where we benefited a lot from the questions raised by Stefano Fiori, Maria Pia Paganelli, and Gianni Vaggi.

   Some paragraphs in sections 2, 3 and 4 of this paper are the result of a reworking of ideas originally written in Silvestri (2012). [↑](#footnote-ref-1)
2. Paolo Silvestri, Department of Law, University of Catania. Contacts: [paolo.silvestri@unict.it](mailto:paolo.silvestri@unict.it). ORCID: [orcid.org/0000-0001-9864-213X](https://orcid.org/0000-0001-9864-213X). [↑](#footnote-ref-2)
3. Benoit Walraevens, Normandie University, UNICAEN, CREM, UMR CNRS 6211, Caen, France. [↑](#footnote-ref-3)
4. For the citations of the works of Adam Smith we will use the system of abbreviations adopted in: Adam Smith, *The Glasgow Edition of the Works and Correspondence of Adam Smith*, Clarendon Press, Oxford 1976-1980:

   LJ(A): *Lectures on Jurisprudence* [1978(1762-63)]

   LJ(B): *Lectures on Jurisprudence* [1978(1766)]

   TMS: *The Theory of Moral Sentiments* [1976(1759-1790)]

   WN: *An Inquiry into the Nature and Causes of The Wealth of Nations* [1976(1776)]

   ED: *Early Draft of part of the* *Wealth of Nations*, in *LJ*: 562-581, 1978

   EPS: *Essays on Philosophical Subjects* [1980(1795)]. [↑](#footnote-ref-4)
5. See Winch (1978), Haakonssen (1981), Skinner (1996), Fleischacker (2004), Smith (2006), Hont (2009, 2015), Sagar (2018). Donald Winch, while moving from a republican perspective and having noted the presence of the theme of mixed government in the work of Adam Smith, both in the aforementioned essay and in an article that explicitly mentions the “good government” in the title (Winch 1983), fails to establish a link between mixed government and the good government of Book III of the *WN*. Fleischacker (2004: 242-246) discusses “well-designed institutions” in Smith but without making any reference to the idea of good government. Nor does Hill (2016), though she provides an excellent summary of scholarship on Smith’s political theory. [↑](#footnote-ref-5)
6. Among the authors who have variously thematized (or even just recalled) the problem of good government, there are very different, if not antithetical, thinkers: from the mythical good government (*eunomia*) of the wise legislators Solon and Lycurgus, passing through Plato, Aristotle, Polybius, Cicero, Machiavelli, Milton, Sidney, Neville, Bolingbroke, Lord Acton, Muratori, the Italian illuminists, Montesquieu, Jefferson, Washington, Smith, Rousseau, J.S. Mill, up to Cattaneo, Mosca, Ernesto Rossi and Einaudi. On these last Italian thinkers see Silvestri (2011) and, on Einaudi in particular, Silvestri (2008 and 2012) and the essays collected in Heritier, Silvestri (2012). [↑](#footnote-ref-6)
7. In the light of our reconstruction of Smith’s reflection, we think that a statement like “Smith had no political theory. [He] never expressed an opinion concerning the problem of forms of state, of political systems, and the relations between social system and form of government” (Neumann 1957: 258) seems completely wrong. [↑](#footnote-ref-7)
8. The idea that the government of England is a government of laws (and not a government of men) could be traced back at least to the Middle Ages (Mc Ilwain 1940). In this regard, however, we can recall how Neville, in *Plato redivivus: or a dialogue concerning government* [1681], used as synonyms the expressions “Common Law”, “constitution of the government of England”, “Good government of England”, and “law of nature” (cit. from Matteucci 1976: 95). [↑](#footnote-ref-8)
9. See Bobbio (2004: 417). For a detailed reconstruction of the mixed constitution as “ideal government” from the antiquity to the middle ages, see Blythe (2014). On the key role played by Bolingbroke (well known to Smith) and Montesquieu in going beyond the organicistic conception of society on which the ancient and medieval ideal of mixed government was based, and in reframing the ideal of mixed government, see Matteucci (1976: 117). On the possible influence of republicanism on Smith see Winch (1978, 1991); on the Scottish Enlightenment's reflection on mixed government see Smith (2010). [↑](#footnote-ref-9)
10. See (Hanley (2006), Broadie (2010), Biziou (2016). [↑](#footnote-ref-10)
11. One can, furthermore, remember that Montesquieu (1989, book V, Chs III-VI), coming to terms with the problem of commercial development, had already renewed the classical republican theory, insisting, like Aristotle, on the importance of the middle class for the existence of democracy. [↑](#footnote-ref-11)
12. On this, see note 9. [↑](#footnote-ref-12)
13. To be clear, to our knowledge Smith uses “common good” only once (*LJ(A),* v.127: 321), but he uses “publick utility” (*LJ(A),* ii.91: 104), “publick good” (*LJ(A),* ii.90-1: 104), “general welfare of the society” (*WN,* Introduction and plan of the work, 8: 11), “publick welfare” (*WN,* I.x.c.63: 159) “public happiness” (*WN,* III.iv.17: 422) and “good of the publick” (*LJ(A),* v. 126: 320). [↑](#footnote-ref-13)
14. Among the thinkers closest in time to Smith, it is perhaps Bolingbroke who provided one of the definitions that best explicates and summarizes the intertwining of the three meanings of good government: “By constitution we mean [...] that assemblage of laws, institutions, and customs, derived from certain fixed principles of reason, directed to certain fixed objects of public good, that compose the general system, according to which the community hath agreed to be governed”. And we call “good government” the one in which “the whole administration of public affairs is wisely pursued, and with a strict conformity to the principles and objects of the constitution” (Bolingbroke, 1841 [1733-34], II: 88). [↑](#footnote-ref-14)
15. Cf. Brunner (1970), Frigo (1985). [↑](#footnote-ref-15)
16. On the relationship between these concepts, see Porta (1988). Three quotes that we take from the *Oxford English Dictionary* are very significant. Under the entry ‘Police’, after due references to the meanings of ‘Policy’ and ‘Polity’ (constitution), the dictionary mentions the French derivation of the term, and in the chronology of citations (which we report without altering the format of the dictionary notation, but adding only the quotation marks to the quoted sentence) we find: “**1732** SWIFT *Exam. Abuses Dublin* Wks. 1761 III. 219 ‘Nothing is held more commendable in all great cities… than what the French call the *police*; by which word is ment the *government* thereof’. **1768** ERSKINE *Inst. Laws of Scotl.* (1773) II. 714 ‘Offences against the law enacted for the *police or good government* of a country, are truly crimes against the state’. **1769** BLAKSTONE *Comm*. IV. Xiii. 162 ‘By the *public police and economy*, I mean the due regulation and domestic order of the Kingdom’” (italics added). Note also that Smith recalls the French derivation of the term ‘Police’ in the *Lectures*.

    It is not possible here to fully develop the problem of economic inflection which seems to assume, precisely in those years, the regulatory criterion of *good* government. However, it can be noted that this inflection is already evident in Bolingbroke’s *Letters on the Spirit of Patriotism: On The Idea of ​​a Patriot King* (1775 [1738]: 171, 178-179, italics added): “the ends of good government [are] *private security, public tranquility, wealth, power, and fame* […]. The result of what has been said in general, that the *wealth and power* of all nations depending so much on their trade and commerce; […] A *good government*, and therefore the government of a Patriot King, will be directed constantly to make the most of every advantage that nature has given, or art can procure, toward the improvement of trade and commerce. And *this is one of the principal criterions by which we are to judge, whether governors are in the true interest of the people or not*”. In turn, note the analogy between this passage and the famous Smithian statement that “the great object of the political œconomy of every country, is to increase the riches and power of that country”; WN: 372. It is noteworthy that Smith had in his library annotated versions of Boligbroke’s *Spirit of Patriotism* and *Dissertation upon Parties* as well as an edition in 5 volumes of Boligbroke’s works, published in 1754 (Mizuta 2000). On the specific meanings of *oikonomia, polity, police, policy,* and *political œconomy* in Smith’s thought see Aspromourgos (2009, ch. 5: 203ff). [↑](#footnote-ref-16)
17. But see also Hont (2005: 453–88). [↑](#footnote-ref-17)
18. Perri & Pesciarelli (1976). [↑](#footnote-ref-18)
19. The editors of the *Glasgow Edition* of the *WN* recalled that the theme of the relationship between commerce and liberty was almost a *topos* of the political literature of the time, and can be found in thinkers very ‘close’ to Smith: Steuart, Ferguson, Kames, Millar, Robertson. The editors therefore believed that “Smith’s citation of Hume alone, along the writers above mentioned may itself be a reflection of the age of this part of his work, and of the fact that Hume was the first author known to Smith to have commented on the subjects of this chapter”; *WN*: 412n. We believe, however, that Smith may have had good reasons for limiting his debt to Hume alone, as we shall try to show. [↑](#footnote-ref-19)
20. For a reconstruction of the *doux commerce* theory, see Hirschmann (1977: 56 ff). [↑](#footnote-ref-20)
21. To this consideration Hume adds: “the lower house is the support of our popular government; […] It owed its chief influence and consideration to the increase of commerce, which threw such a balance of property into the hands of the Commons” (idem: 284). See also Hume (1963b) and, for the middling rank as the ideal and moral fulcrum of society, Hume (1963c). On the balance of power depending on the distribution of property, and on the ideal of mixed government configured in such a way that the middling rank acts as the pivot of the balance, see also Hume (1786, vol. I: 699-704). [↑](#footnote-ref-21)
22. See also Hont (2005: 2). [↑](#footnote-ref-22)
23. On this see Forbes (1975) and Winch (1978). [↑](#footnote-ref-23)
24. Precisely with reference to the Smithian passages about “order and good government”, Forbes (1975: 186) had written that “Smith’s conception of the end of government is the same as Hume’s: justice, the protection of property from the ‘injustice’ of those who would invade it, the liberty and security of individual under the rule of law. In so far as Smith was interested in a more political sort of freedom than that of the ‘natural system of liberty’, it was mainly freedom in the sense of law and order”. While this statement is indubitable, Smith’s possible “debt” to Hume should not be over-emphasized, at least for two reasons. First, because the idea that the government of England is a “government of laws not of men” (Hume, 1963a: 89-97) could be traced back at least to the Middle Ages (Mc Ilwain 1940). Secondly, because Forbes’s statement is not able to account for the specific difference between Hume and Smith, namely Smith’s more specific and wider reflection on good government as well as his project to write a treatise on natural jurisprudence. [↑](#footnote-ref-24)
25. In this regard, see Hont (2009) who provides one of the best reading of the issue of legitimacy, in terms of “authority” and “utility” in Smith’s political thought (we will come back to this in the conclusion). [↑](#footnote-ref-25)
26. Smith also comments in *Jurisprudence* on the probity of “common people” in commercial societies, noting that “nothing gives such noble and generous notions of probity as freedom and independency”, which are the results of the development of commerce, giving “the poorer sort better wages than any master can afford” while allowing “the rich an opportunity of spending their fortune with fewer servants […] Hence it is that the common people of England who are altogether free and independent are the honestest of their rank any where to be met with.” (*LJ(A),* vi.7: 333) And then he notes their “probity, liberality, [and] and amiable qualities”. (ibid) [↑](#footnote-ref-26)
27. On this see Zanini (1993, 1995). [↑](#footnote-ref-27)
28. Along these lines, Phillipson (1983: 179) has claimed that Smith was “a practical moralist who thought that his account of the principles of morals and social organization would be of use to responsibly-minded men of middling rank, living in a modern, commercial society.” [↑](#footnote-ref-28)
29. This aspect was clearly grasped by Skinner and Campbell (1976 p. *17*) in their General Introduction to the Glasgow edition of the *WN*. [↑](#footnote-ref-29)
30. See note 16. [↑](#footnote-ref-30)
31. See also Schliesser (2017: 154) who notes, without elaborating further, that “one of the first points he makes in WN is that good government can make a non-trivial difference to the flourishing of society and its least advantageous members.” [↑](#footnote-ref-31)
32. On the so-called paradoxes of commercial society see Rosenberg (1965) and Hont, Ignatieff (1983). [↑](#footnote-ref-32)
33. “What institution of government could tend so much to promote the happiness of mankind as the general prevalence of *wisdom and virtue*? All government is but an imperfect remedy for the deficiency of these. […] On the contrary, what civil policy can be so ruinous and destructive as the *vices of men*? The fatal effects of *bad government* arise from nothing, but that it does not sufficiently guard against the mischiefs which human wickedness gives occasion to.” (*TMS*, IV.ii.1: 187, italics added) [↑](#footnote-ref-33)
34. For more on this point, see Sagar 2018. [↑](#footnote-ref-34)
35. For more on this point, see Winch 1978, Walraevens 2011. [↑](#footnote-ref-35)
36. On Smith’s “legislator” and his reference to Solon, see Haakonssen (1981: 97), Winch (1978: 160, and 170ff.) and Evensky (2005: 208-210). For more details on Solon as a model of wise legislator for Smith, see Winch (1996) and Clark (2021). On Smith’s “science of the legislator”, see Winch (1996), Fleischacker (2004, chap 11, section 58: 242-246), Hanley (2008), Hill (2016: 325-326). It might be important to note that Smith shared the same views held by Hume on the necessity of wise legislators (and “wise laws and institutions”) for good government and, therefore, for “the peace, *happiness*, and *liberty*” (Hume, 1963*:* XXX). [↑](#footnote-ref-36)
37. “Wise and judicious conduct, when directed to greater and nobler purposes than the care of the health, the fortune, the rank and reputation of the individual*,* is frequently and very properly called prudence. We talk of the prudence of the great general, of the great statesman, of the great legislator.” (*TMS,* VI.1.15: 216) Note that Smith’s views on this superior form of prudence are found in book VI, which was added to the last edition of the *Theory,* as is his appeal to a wise legislator*.*  [↑](#footnote-ref-37)
38. Smith claims that the “man of system” is “very wise in his own conceit” (*TMS,* VI.ii.2.17: 233). [↑](#footnote-ref-38)
39. “Some general, and even systematical idea of the perfection of policy and law, may no doubt be necessary for directing the views of the statesman. But to insist upon establishing, and upon establishing all at once, and in spite of all opposition, every thing which that idea may seem to require, must often be of the highest degree of arrogance.” (TMS, VI.ii.2.18) [↑](#footnote-ref-39)
40. On the notoriously complex issue of the meaning of the word “natural” in Smith, see Griswold (1998) and Pack & Schliesser (2018). [↑](#footnote-ref-40)
41. For more details on Smith’s views on competition and natural liberty, see Kurz (2016). [↑](#footnote-ref-41)
42. For more details on this point, see Walraevens (2014). [↑](#footnote-ref-42)
43. See in particular *WN,* IV.ix.4: 664. [↑](#footnote-ref-43)
44. Smith notes that until now “scarce any nation has dealt equally and impartially with every sort of industry.” (*WN,* Introduction and plan of the work, 7: 11) [↑](#footnote-ref-44)
45. See above the quote of *TMS,* VI.ii.2.17, 233-4. [↑](#footnote-ref-45)
46. On Smith’s “gradualism”, see Fleischacker (2004, chap 11, section 58: 242-246) and Hill (2016: 330-332). [↑](#footnote-ref-46)
47. For more details on the discrepancy between positive law and natural justice in Smith, see Witztumand Young (2006). [↑](#footnote-ref-47)
48. On the “naturall equity” that decisions of justice and laws should follow, see also *LJ(A),* ii.91: 105. [↑](#footnote-ref-48)
49. On this see Hill (2016: 336). [↑](#footnote-ref-49)
50. Among the scholars who have captured this momentous shift due to the emergence of the market and its *knowledge*, the political economy, it is worth mentioning Michel Foucault (2008: 32): “the market determines that good government is no longer simply government that functions according to justice [and] is no longer quite simply one that is just. The market now means that to be good government, government has to function according to truth. In this history and formation of a new art of government, political economy does not therefore owe its privileged role to the fact that it will dictate a good type of conduct to government. Political economy was important, even in its theoretical formulation, inasmuch as (and only inasmuch as, but this is clearly a great deal) it pointed out to government where it had to go to find the principle of truth of its own governmental practice. […] from being a site of jurisdiction, which it remained up to the start of the eighteenth century, the market […] is becoming what I will call a site of veridiction. The market must tell the truth (dire le vrai); it must tell the truth in relation to governmental practice. Henceforth, and merely secondarily, it is its role of veridiction that will command, dictate, and prescribe the jurisdictional mechanisms, or absence of such mechanisms, on which [the market] must be articulated.” [↑](#footnote-ref-50)
51. On Smith’s very critical stance towards politicians, see among others Fleischacker (2004, chap 11, sect 58 and 59) and Smith (2013: 788-792). [↑](#footnote-ref-51)
52. On Smith’s view of economic inequalities, see Walraevens (2021). [↑](#footnote-ref-52)
53. Although Haakonssen glimpses the possibility of a reconciliation between the universalistic or ‘natural’ foundation of justice and its historical embodiments, our perspective seems instead to lend further credence to Griswold’s (1998: 257) contrary thesis: “Smith nowhere shows us in *TMS* how his general, unchanging principles of justice might be derived from moral notions. And if they are, instead, to be drawn out of history, the problem is obvious: How can history yield general normative principles that are always the same? Is not the process [of deriving such principles from history] either circular or inherently impossible? *Qua* system, the principles of natural jurisprudence would have to be complete. But as dependent on the experiential or historical, the system would have to be open-ended”. [↑](#footnote-ref-53)