

Adam Smith and the contemporary world

AMARTYA SEN

Harvard University

Abstract: This paper argues that many of Adam Smith's insights, particularly those in his *Theory of moral sentiments*, have a relevance to contemporary thought about economics and ethics that is currently underappreciated. In economics, for example, Smith was concerned not only with the sufficiency of self-interest at the moment of exchange but also with the wider moral motivations and institutions required to support economic activity in general. In ethics, Smith's concept of an impartial spectator who is able to view our situation from a critical distance has much to contribute to a fuller understanding of the requirements of justice, particularly through an understanding of impartiality as going beyond the interests and concerns of a local contracting group. Smith's open, realization-focussed and comparative approach to evaluation contrasts with what I call the "transcendental institutionalism" popular in contemporary political philosophy and associated particularly with the work of John Rawls.

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It is a great privilege for me to join others here at Adam Smith's home base in Glasgow University to celebrate a profoundly important book first published 250 years ago. The influence of *The theory of moral sentiments* (1759) on philosophy, politics, sociology, and economics over the last few centuries has been quite remarkable. I shall have a bit to say on the nature of that influence, but my primary concentration in this lecture is on the contemporary relevance of Smith's thoughts and analyses—presented no less than a quarter of a millennium ago. While the impact of Smith's *Wealth of nations* (1776) is very widely acknowledged, the far-reaching relevance of Smith's ideas in *The theory of moral sentiments* is quite often comprehensively missed in

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discussions today. It is that neglect that makes the case for addressing Smith's contributions urgent as well as important.

In what way are Smith's contributions of contemporary relevance? This question is hard to answer mainly because there are so many ways in which Smith's ideas have insights to offer to the world today. There are a great many departures that were proposed by Smith that have not been fully taken up yet, despite the frequency with which Smith has been quoted in the literature over the last two centuries and more. The importance of those proposed departures is the principal theme of this lecture.

1

The particular contribution of Adam Smith that is most clearly celebrated today—and has certainly *not* been neglected—is the way he helped to reshape the subject of economics. Smith is standardly accepted as “the father of modern economics”, and it is widely acknowledged that he has contributed more than almost anyone else to the emergence of the scientific discipline of economics. I am, of course, aware that to talk about the “scientific discipline” of economics might seem to be a little out of place at this time, given the way the profession is faring right now. Science, in fact, is not quite the first word that comes to our mind given the way economists have bungled in anticipating the gigantic crisis in which we are caught today, and in identifying how we can rapidly rescue the badly botched economic world.

This new scepticism feeds into the old doubts about the possibility of having a “science” called “social science”. Economics or sociology may be worthy subjects for speculation and reflection, but can they actually be taken to be a part of the discipline of science? It is difficult not to recall W. H. Auden's (1947) advice to the aspiring academic:

Thou shall not sit
With statisticians nor commit
A social science.

Smith definitely did *commit* a social science—indeed more than one social science. And we certainly know many things about the social sciences in general—and about economics and the market economy in particular—from his work that were far from clear earlier, and which remain of great value today. The debt to Smith is handsomely

acknowledged in contemporary economic writings, but unfortunately some of his central ideas are not very well grasped in many of the presentations by his alleged admirers who want to see Smith just as the guru of the market economy: a one-idea man propagating only the excellence and self-sufficiency of the market. I have had the occasion to grumble in a recent essay in the *New York Review of Books* that the popularity of *quoting* Smith seems to far exceed that of *reading* him (Sen 2009a). The one-idea capsule summary of Smith is, of course, very far from what Smith in fact said.

Even as Smith's pioneering investigations explained why (and particularly how) the dynamism of the market economy worked, they also brought out the support that the markets need from other institutions for efficacy and viability. He identified why the markets may need restraint, correction, and supplementation through other institutions for preventing instability, inequity, and poverty.

2

One of the more subtle points of Smith that seems to have been fairly widely missed is his pointer to the impossibility of thinking of poverty without going, at the same time, into inequality. For each person, the income and resources needed for achieving the same minimal functionings and for having the same capabilities continue to grow with the overall progress of an economy and the rise in other people's incomes. For example, to be able to "appear in public without shame" may require higher standards of clothing and other visible consumption in a richer society than in a poorer one, Smith noted. The same applies to the personal resources needed for taking part in the life of the community, and, in many contexts, even to fulfil the elementary requirements of self-respect.

The large modern literature on the sociology of "relative deprivation" essentially develops a point that Smith identified in the *Wealth of nations*.¹ This has important implications for policies for poverty removal and indeed for assessing the process of economic development. An increasingly common tendency in public economics—to say that we should concentrate on removing poverty whereas inequality is a quite different matter—is an unviable position for good

¹ See Smith 1976 [1789], 351-352. On the relation between relative disadvantage and poverty, see the works of W. G. Runciman (1966), and Peter Townsend (1979).

Smithian reasons, and that is a recognition of some importance for policy debates today.

On a different kind of issue, it is striking how insightful Smith was in identifying the destructive influences of those whom he called “prodigals and projectors”. That analysis is, in fact, deeply relevant today in understanding what has just happened in the financial world. The implicit faith in the wisdom of the market economy, which was largely responsible for the removal of the established regulations in the United States, tended to assume away the activities of prodigals and projectors in a way that would have shocked the pioneering exponent of the rationale of the market economy.

It is interesting in this context to note that Jeremy Bentham wrote to Smith a long letter, questioning this part of his analysis and disputing in particular Smith’s remarks about the so-called “prodigals and projectors” (Bentham 1843a). Bentham argued, among his other points, that those whom Smith called “projectors” were also the innovators and pioneers of economic progress. As it happens, Bentham did not manage to persuade Smith to change his mind on this indictment, even though Bentham kept on hoping to do just that, and on one occasion convinced himself, with little evidence, that Smith’s views on this had become the same as his.² Smith knew the distinction between innovating and projecting well enough, and gave little evidence of changing his mind on this subject. Now, more than two centuries later, the distinction remains sadly relevant as we try to understand the nature and causation of the crisis that has hit the world of finance.

3

Smith did not take the pure market mechanism to be a free standing performer of excellence. Nor did he take the profit motive to be all that is needed. The importance of motives other than the pursuit of one’s own gain, going beyond even the more refined motivation that Smith called “prudence”, was first outlined by Smith with much force and clarity in *The theory of moral sentiments*. There are really two distinct propositions here. The first is one of epistemology, concerning the fact that human beings are not invariably guided only by self-gain or even prudence. The second is one of practical reason, and involves the claim that there are good ethical and practical reasons for encouraging

² See Bentham 1843b, paragraph 426 and footnote.

motives other than self-seeking—whether in a crude or in a refined form.

The latter proposition is one of the strongest concerns in the current debates on the debacle just experienced. It finds perhaps its strongest expression in one part of *The theory of moral sentiments*, when Smith argues that while “prudence” is “of all the virtues that which is most useful to the individual [...] humanity, justice, generosity, and public spirit, are the qualities most useful to others” (Smith 1975 [1790], 189–190). The nature of the present economic crisis illustrates very clearly the need for departures from unmitigated and unrestrained self-seeking in order to have a decent society: even John McCain, the Republican presidential candidate in the United States complained constantly of “the greed of Wall Street” in his campaign speeches in the summer of 2008. Indeed, much evidence has emerged powerfully in recent years in that direction, in addition to what we already knew from past studies of the failings of motivational narrowness.

Despite Smith’s frequent discussion of the importance of motivations other than self-interest, he has somehow developed the reputation of being a champion of the unique importance of self-interest for all human beings. For example, in two well-known and forcefully argued papers, the famous Chicago economist George Stigler has presented his “self-interest theory” (including the belief that “self-interest dominates the majority of men”) as being “on Smithian lines”.³ Stigler was not being idiosyncratic in that diagnosis—this is indeed the standard view of Smith that has been powerfully promoted by many writers who constantly invoke Smith to support their view of society. A great many economists were, and some still are, evidently quite enchanted by something that has come to be called “rational choice theory” in which rationality is identified with intelligently pursuing self-interest. Further, following that fashion in modern economics, a whole generation of rational choice political analysts and of experts in so-called “law and economics” have been cheerfully practising the same narrow art. And they have been citing Adam Smith in alleged support of their cramped and simplistic theory of human rationality.

While some men are born small and some achieve smallness, it is clear that Adam Smith has had much smallness thrust upon him.⁴ One

³ See particularly Stigler 1971, 237; and Stigler 1981, 176.

⁴ This issue of misinterpretation is more fully discussed in “Adam Smith’s prudence” (Sen 1986); and in *On ethics and economics* (Sen 1987).

reason for the interpretational confounding is the tendency to confuse the question of rationality and the adequacy of self-interest as a motivation with a much narrower question: what motivation is needed to explain why people seek exchange in a market economy? Smith famously argued that to explain the motivation for economic exchange in the market we do not have to invoke any objective other than the pursuit of self-interest. In his most famous and widely quoted passage from the *Wealth of nations*, Smith wrote:

It is not from the benevolence of the butcher, the brewer, or the baker that we expect our dinner, but from their regard to their own interest. We address ourselves, not to their humanity but to their self-love (Smith 1976 [1789], 26-27).

The butcher, the brewer, and the baker want to get our money in exchange for the meat, the beer, and the bread they make, and we—the consumers—want their meat, beer, and bread, and are ready to pay for them with our money. The exchange benefits us all, and we do not have to be raving altruists to seek such exchange. This is a fine point about motivation for trade, but it is not a claim about the adequacy of self-seeking for economic success in general.

Unfortunately, in some schools of economics the reading of Smith does not seem to go much beyond those few lines, even though that discussion by Smith is addressed only to one very specific issue, namely *exchange* (rather than distribution or production), and in particular, the *motivation* underlying exchange (rather than what makes normal exchanges sustainable, such as trust and confidence in each other). In the rest of Smith's writings there are extensive discussions of the role of other motivations that influence human action and behaviour. For example, Smith argued:

When the people of any particular country has such confidence in the fortune, probity, and prudence of a particular banker, as to believe he is always ready to pay upon demand such of his promissory notes as are likely to be at any time presented to him; those notes come to have the same currency as gold and silver money, from the confidence that such money can at any time be had for them (Smith 1976 [1789], 292).

Smith discussed why such confidence need not always exist. Even though the champions of the baker-brewer-butcher reading of Smith,

enshrined in many economic books, may be at a loss about how to understand the present economic crisis (since people still have excellent reason to *seek* more trade even today—only far less *opportunity*), the devastating consequences of mistrust and lack of mutual confidence would not have puzzled Smith.

Smith also made the point that sometimes our moral behaviour tends to take the form of simply following established conventions. While he noted that “men of reflection and speculation” can see the force of some moral arguments more easily than “the bulk of mankind” (1975 [1790], 192), there is no suggestion in Smith’s writings that people in general systematically fail to be influenced by broader considerations—broader than sheer pursuit of self-interest—in choosing their behaviour. What is important to note, however, is Smith’s recognition that even when we are moved by the implications of moral arguments, we may not see them in that explicit a form and may perceive our choices in terms of acting according to some well-established practices in society. As he put it in *The theory of moral sentiments*:

Many men behave very decently, and through the whole of their lives avoid any considerable degree of blame, who yet, perhaps, never felt the sentiment upon the propriety of which we found our approbation of their conduct, but acted merely from a regard to what they saw were the established rules of behaviour (1975 [1790], 162).

This focus on the power of “established rules of behaviour” plays a very important part in the Smithian analysis of human behaviour and its social implications. However, neither specifically reasoned choice nor the following of established rules of behaviour takes us, in Smith’s analysis, to the invariable pursuit of self interest. This has huge implications for practical reason in addition to its epistemic merits. Both individual reasoning and social convention can make a real difference to the kind of society in which we live. We are not imprisoned in any inflexible box of the unconditional priority of self-love. The pillaging bosses of perverse businesses (such as AIG) are not doomed to any inescapable pursuit of plunder; they *choose* to plunder in line with their inclinations, making little use of rational scrutiny, not to mention moral reasoning.

4

While Smith's thoughts are of much relevance in explaining the present global crisis and in suggesting ways and means of not only overcoming it but also of building a tolerably decent society in the world, there are other parts of Smith's analyses that throw light on such grand notions as justice and impartiality, subjects of lasting importance. Since I have just completed a book on justice, called *The idea of justice* (Sen 2009b) which draws very substantially on Adam Smith's ideas, I could perhaps be forgiven for spending a bit of time on the lines of analysis that I believe I get from Smith.

Even though the subject of social justice has been discussed over the ages, the discipline received an especially strong boost during the European Enlightenment, in the eighteenth and nineteenth centuries, encouraged by the political climate of change and also by the social and economic transformation taking place then in Europe and America. There are two basic, and divergent, lines of reasoning about justice among leading philosophers associated with the radical thought of the Enlightenment. The distinction between the two approaches has received far less attention than, I would argue, it richly deserves.

One approach, led by the work of Thomas Hobbes in the seventeenth century, and followed in different ways by such outstanding leaders of thought as John Locke, Jean-Jacques Rousseau, and Immanuel Kant, concentrated on identifying perfectly just institutional arrangements for a society. This approach, which can be called "transcendental institutionalism", has two distinct features. First, it concentrates its attention on what it identifies as perfect justice, rather than on relative comparisons of justice and injustice, and it tries to identify social characteristics that cannot be transcended in terms of justice. Its focus is not on comparing feasible societies, all of which may fall short of perfection. The inquiry is aimed at identifying the nature of "the just", rather than finding some criteria for one alternative being "less unjust" than another.

Second, in searching for perfection, transcendental institutionalism concentrates primarily on getting the institutions right, and it is not directly focused on the actual societies that would ultimately emerge. The nature of the society that would result from any given set of institutions must, of course, depend also on non-institutional features, such as the actual behaviours of people and their social interactions. In elaborating the likely consequences of having one set of institutions

rather than another, some specific behavioural assumptions are made (of quite a demanding kind). With those assumptions in place, the search in the approach of transcendental institutionalism is for perfectly just institutions, rather than for the ways and means of bettering what actually happens in a society.

Both these features relate to the “contractarian” mode of thinking that Hobbes in particular had initiated, and which was further pursued by Locke, Rousseau, and Kant. The hypothetical “social contract” that is assumed to be chosen is concerned with an ideal set of institutions as an alternative to the chaos that would otherwise characterize a society. The overall result was to develop theories of justice that focus on the transcendental identification of ideal institutions and rules.

In contrast with transcendental institutionalism, a number of other Enlightenment theorists, of whom Adam Smith was perhaps the principal analyst, took up a variety of comparative approaches that were concerned with social realizations (resulting from actual institutions, actual behaviour, and other actual influences), and did this from a comparative perspective. Different versions of such comparative thinking can be found, for example, in the works of Adam Smith, and those of the Marquis de Condorcet (the founder of the mathematical discipline of social choice theory who was much influenced by Smith’s work), Jeremy Bentham, Mary Wollstonecraft, Karl Marx, John Stuart Mill, among a number of other leaders of innovative thought in the eighteenth and nineteenth centuries. As it happens, they were all very familiar with Smith’s approach. Marx even chastised Mill for daring to say that he agreed with Smith: how far would a little man go, Marx wondered, in trying to place himself in the company of the great.

Even though these authors, with their very different ideas of the demands of justice, proposed quite distinct ways of making social comparisons, it can be said, at the risk of only a slight exaggeration, that they were all involved in comparisons of societies that exist or could emerge, rather than confining their analyses to transcendental searches for a perfectly just society. Focused on realization-focused comparisons, they were often primarily interested in the removal of manifest injustices they saw in the world, such as slavery, or policy-induced poverty, or cruel and counterproductive penal codes, or rampant exploitation, or the subjugation of women.

The distance between the two approaches—*transcendental institutionalism* on the one hand and *realization-focused comparison* on

the other—is quite momentous. As it happens, it is the first tradition (that of transcendental institutionalism) on which today’s mainstream political philosophy largely draws in its exploration of the theory of justice. The most powerful and momentous exposition of this approach to justice can be found in the works of the leading political philosopher of our time, John Rawls.⁵ Indeed, Rawls’s “principles of justice” in his *A theory of justice* (1971) are intended entirely for identifying perfectly just institutions.

A number of the other pre-eminent contemporary theorists of justice have also, broadly speaking, taken the transcendental institutional route. I think here of Ronald Dworkin, David Gauthier, and Robert Nozick, among others. Their theories, which have provided different—but respectively important—insights into the demands of a “just society”, share the common aim of identifying just rules and institutions, even though their identification of these arrangements come in very different forms. The characterization of perfectly just institutions has become the central exercise in modern theories of justice.

This entire tradition is very non-Smithian in approach. Smith’s focus is on actual realizations (not just institutions and arrangements), and on comparisons rather than on transcendence. The difference between the two approaches is reflected in the questions that have to be answered by a theory of justice. The primary concentration in the Smithian approach is on such questions as: “how could justice be advanced?” rather than on, as in Rawlsian theory: “how could we identify perfectly just institutions?” Smith’s approach has the dual effect, first, of taking the comparative rather than the transcendental route, and second, of focusing on actual realizations in the societies involved, rather than only on institutions and rules. Given the present balance of emphases in contemporary political philosophy, the Smithian approach demands a radical change in the formulation of the theory of justice.

I shall not go further into the working out of such a theory of justice here, since I have tried to do this in my most recent book on justice (2009b). However, I will separate out for discussion one particular

⁵ As Rawls explained in *A theory of justice* (1971, 10): “My aim is to present a conception of justice which generalizes and carries to a higher level of abstraction the familiar theory of the social contract as found, say, in Locke, Rousseau, and Kant”. See also his *Political liberalism* (1993). The “contractarian” roots of Rawls’s theory of justice were emphasized by him already in his early—pioneering—paper: “Justice as fairness” (1958).

feature of the Smithian approach, on which I have not yet commented, and which is quite central to the theory I present in my book. The issue involved concerns the domain of points of views that a theory of justice should try to accommodate. How far should we have to go to get the impartiality that a theory of justice must demand?

5

Adam Smith's thought experiment on impartiality invokes the device of an "impartial spectator" who can come from far as well as near, and this differs substantially from the admissible points of view that a social contract concentrates on, to wit the views of the people within the polity in which the contract is being made. Even though in John Rawls's discussion of what he calls a "reflective equilibrium", distant perspectives can be invoked, in his structured theory of "justice as fairness" the relevant points of view are those of the people in the society in which the so-called "original position" is being contemplated (Rawls 1971). Smith's device of the impartial spectator leans towards an "open impartiality" in contrast with what can be called the "closed impartiality" of the social contract tradition, with its confinement to the views of the parties to the social contract and therefore to fellow citizens of a sovereign state.

To be sure, both Smith and Kant had much to say about the importance of impartiality. Even though Smith's exposition of this idea is less remembered among contemporary moral and political philosophers, there are substantial points of similarity between the Kantian and Smithian approaches. In fact, Smith's analysis of "the impartial spectator" has some claim to being the pioneering idea in the enterprise of interpreting impartiality and formulating the demands of fairness which so engaged the world of the European Enlightenment. Smith's ideas were not only influential among those "enlightenment thinkers" such as Condorcet, who wrote on Smith. Immanuel Kant too was familiar with *The theory of moral sentiments*, as we know from his correspondence with Markus Herz in 1771 (even though, alas, Herz referred to the proud Scotsman as "the Englishman Smith").⁶ This was somewhat earlier than Kant's classic works, *Groundwork*, 1785, and *The critique of practical reason*, 1788, and it seems quite likely that Kant was influenced by Smith.

⁶ See Raphael and Macfie 1975, 31.

In the present discussion I am not so much concerned with the similarities between Smith on one side and Kant—and Rawls—on the other, but with their differences. The internal discussion among the participants in the Rawlsian original position would appear to Smith to be inadequately scrutinized, since we have to look beyond the points of view of others, all in the same society, who are engaged in making the social contract. As Smith argued:

We can never survey our own sentiments and motives, we can never form any judgment concerning them; unless we remove ourselves, as it were, from our own natural station, and endeavour to view them as at a certain distance from us. But we can do this in no other way than by endeavouring to view them with the eyes of other people, or as other people are likely to view them (1975 [1790], 110).

Rawls's focus is on removing biases of the kind that are related to vested interests and personal slants within a given society, and he abstains from invoking the scrutiny of (in Smith's language) "the eyes of the rest of mankind". Something more than an "identity blackout" *within* the confines of the local focal group would be needed to address this problem. In this respect the procedural device of closed impartiality in "justice as fairness" can be seen as being "parochial" in its construction.

We could ask: why is this a problem? Indeed, since many of the criticisms of Rawls have come from philosophers who are communitarians and cultural particularists, it could even appear that this localism of Rawls is a virtue, not a barrier to be overcome. There are, in fact, two principal grounds for requiring that the form of public reasoning about justice should go beyond the boundaries of a state or a region, and these are based respectively on (1) the relevance of other people's *interests*—far away from as well as near a given society—for the sake of preventing unfairness to others who are not a party to the social contract for that society, and (2) the pertinence of other people's *perspectives* in broadening our own investigation of relevant principles, for the sake of avoiding an underscrutinized parochialism of values and presumptions in the local community.

The first ground, related to the interdependence of interests, would have been obvious to Smith. For example the misdeeds of early British rule in India, including the disastrous famine of 1770, engaged Smith greatly, and there could not have been any notion of adequate justice based only on a social contract among the British that could do the job

of assessment adequately (in terms of Smith's analysis). Similar issues remain very alive today. How America tackles its economy influences not only the lives of Americans but also those in the rest of the world, and if there is one motivation that is central to the G-20 meeting recently held in London (April 2009), it is the importance of taking appropriate steps in the light of the interdependence of the global world. Similarly, how America responded to the barbarity of 9/11 in New York has affected the lives of many hundreds of millions elsewhere in the world—not just in Iraq and Afghanistan, but also well beyond those direct fields of American action. Further, AIDS and other epidemics have moved from country to country, and from continent to continent, and also, on the other side, the medicines developed and produced in some parts of the world are important for the lives and freedoms of people far away. Many other avenues of interdependence can be identified, for example the challenge of environmental policies for the world to tackle such issues as global warming.

The interdependences also include the impact of a sense of injustice in one country on lives and freedoms in others. "Injustice anywhere is a threat to justice everywhere" said Dr. Martin Luther King, Jr., in April 1963, in a letter from Birmingham Jail.⁷ Discontent based on injustice in one country can rapidly spread to other lands. Our "neighbourhoods" are now effectively spread across the world. Our involvement with others through trade and communication are remarkably extensive in the contemporary world, and further, our global contact involving literary, artistic and scientific connections, make it hard for us to expect that an adequate consideration of diverse interests or concerns can be plausibly confined to the citizenry of any given country, ignoring all others.

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In addition to the global features of interdependent interests, there is a second ground—that of avoidance of the trap of parochialism—for accepting the necessity of taking an "open" approach to examining the demands of impartiality. If the discussion of the demands of justice is confined to a particular locality (a country or even a larger region than that) there is a possible danger of ignoring or neglecting many challenging counterarguments that might not have come up in local

⁷ For the background to King's judgement on the relevance of global justice for local justice, see *The autobiography of Martin Luther King, Jr.* (2001).

political debates, or been accommodated in the discourses confined to the local culture, but which are eminently worth considering in an impartial perspective. It is this limitation of reliance on parochial reasoning, linked with national traditions and regional understandings, that Adam Smith wanted to resist by using the device of the impartial spectator, in the form of the thought experiment of asking what a particular practice or procedure would look like to a disinterested person—from far or near.

Smith was particularly keen on avoiding the grip of parochialism in jurisprudence and moral and political reasoning. In a chapter in *The theory of moral sentiments* entitled “On the influence of custom and fashion upon the sentiments of moral approbation and disapprobation” Smith gives various examples of how discussions confined within a given society can be incarcerated within a seriously narrow understanding:

[...] the murder of new-born infants was a practice allowed of in almost all the states of Greece, even among the polite and civilized Athenians; and whenever the circumstances of the parent rendered it inconvenient to bring up the child, to abandon it to hunger, or to wild beasts, was regarded without blame or censure. [...] Uninterrupted custom had by this time so thoroughly authorized the practice, that not only the loose maxims of the world tolerated this barbarous prerogative, but even the doctrine of philosophers, which ought to have been more just and accurate, was led away by the established custom, and upon this, as upon many other occasions, instead of censuring, supported the horrible abuse, by far-fetched considerations of public utility. Aristotle talks of it as of what the magistrates ought upon many occasions to encourage. The humane Plato is of the same opinion, and, with all that love of mankind which seems to animate all his writings, no where marks this practice with disapprobation (1975 [1790], 210).

Adam Smith’s insistence that we must *inter alia* view our sentiments from “a certain distance from us” is, thus, motivated by the object of scrutinizing not only the influence of vested interests, but also by the need to question the captivating hold of entrenched traditions and customs.

While Smith’s example of infanticide remains sadly relevant today, though only in a few societies, some of his other examples have relevance to many other contemporary societies as well. This applies, for example, to Smith’s insistence that “the eyes of the rest of mankind”

must be invoked to understand whether “a punishment appears equitable” (Smith 1982 [1762-1763], 104). I suppose even the practice of lynching of identified “miscreants” appeared to be perfectly just and equitable to the strong-armed enforcers of order and decency in the American south, not very long ago. Even today, scrutiny from a “distance” may be useful for considering practices as different as the stoning of adulterous women in the Taliban’s Afghanistan, selective abortion of female fetuses in China, Korea, and parts of India,⁸ and plentiful use of capital punishment in China, or for that matter in the United States (with or without the celebratory public jublations that are not entirely unknown in some parts of the country). The United States is, by the way, the country with the fourth largest number of executions in the world today, behind China, Iran, and Saudi Arabia, and just ahead of Pakistan. Closed impartiality lacks something of the quality of intellectual engagement that makes impartiality—and fairness—so central to the idea of justice.

The relevance of distant perspectives has a clear bearing on some current debates in the United States, for example that in the Supreme Court not long ago on the appropriateness of the death sentence for crimes committed in a person’s juvenile years. The demands of justice being seen to be done even in a country like the United States cannot entirely neglect the understanding that may be generated by asking questions about how the problem is assessed in other countries in the world, from Europe and Brazil to India and Japan. The narrow majority judgment of the Court, as it happens, ruled against the use of the death sentence for a crime that was committed in juvenile years even though the execution occurs after the person reaches adulthood. In condemning that decision, Justice Scalia in his dissenting note complained that the majority of the Court was influenced by their tendency to “defer to like-minded foreigners”. The majority of judges did refer to views from countries other than the United States, and it could be asked whether they were right to do so, rather than looking only at American points of view. Central to this debate is the relevance of Smith’s insistence on the need to scrutinize from “a distance” which is an integral part of the device of the impartial spectator.

The apparent cogency of parochial values often turns on the lack of knowledge of what has proved feasible in the experiences of other people. The inertial defence of infanticide in ancient Greece, on which

⁸ On this see my "The many faces of gender inequality" (2001).

Smith spoke, was clearly influenced by the lack of knowledge of other societies in which infanticide is ruled out and yet which do not crumble into chaos and crisis as a result of not permitting such killing. Despite the undoubted importance of “local knowledge”, global knowledge has some value too, and can contribute to the debates on parochial values and practices.

To listen to distant voices, which is part of Adam Smith’s exercise of invoking “the impartial spectator”, does not require us to be respectful of every argument that may come from abroad. Willingness to consider an argument proposed elsewhere is very far from a predisposition to accept all such proposals. We may reject a great many of the proposed arguments—sometimes even all of them—and yet there would remain particular cases of reasoning that could make us reconsider our own understandings and views, linked with the experiences and conventions entrenched in a particular country, or culture. Arguments that may first appear to be “outlandish” (especially when they do actually come, initially, from other lands) may help to enrich our thinking if we try to engage with the reasoning behind these locally atypical contentions. Many people in the USA or China may not be impressed by the mere fact that capital punishment is not permitted in many other countries, for example in the bulk of Europe and much of the American continents (in fact the United States is the only country in the American continents that has systematic civil executions). And yet if reasons are important, there would be, in general, a strong case for examining the justificatory arguments against capital punishment that are used elsewhere.⁹

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I must end here. We can examine Smith’s ideas for the way they are related to the world that he saw around him, but also for their relevance to the nature of human society in general and thus to our world today. I have pursued the latter inquiry in this presentation. I never cease to be impressed—indeed astonished—by the reach of Smith’s ideas across the centuries. I am sure I would be accused of being over the top when I compare, in this respect, Smith with Shakespeare. But there is something in common between the two in their reaching over to people across the

⁹ There would, of course, be a similar case for continuing to examine the arguments in favour of using capital punishment that may emanate from the USA or China, or any other country that makes substantial use of that system of punishment.

barriers of time. If there is unusual profundity in this, there is reason for us to give it the acknowledgement that it would seem to deserve.

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Amartya Sen is T. W. Lamont University professor, and professor of economics and philosophy, at Harvard University. He has published extensively in many areas of philosophy and economics and in 1998 his contributions to economics were recognised with a Nobel Prize. His

most recent publications include *The idea of justice* (Allen Lane, 2009), and the introduction to a new edition of Adam Smith's *The theory of moral sentiments* (Penguin, forthcoming in 2010).

Contact e-mail: <asen@harvard.edu>

Website (Phil): <www.fas.harvard.edu/~phildept/sen.html>

Website (Eco): <www.economics.harvard.edu/faculty/sen>