



**DEPARTMENT OF  
ECONOMICS**

**Virtues, Layers, and Lenses in Adam Smith's  
*The Theory of Moral Sentiments***

Daniel B. Klein

George Mason University  
Department of Economics  
Working Paper No. 15-06

# Virtues, Layers, and Lenses in Adam Smith's *The Theory of Moral Sentiments*

By Daniel B. Klein

Professor of economics and JIN Chair at the Mercatus Center,  
George Mason University, and associate fellow of the Ratio Institute, Stockholm

*Abstract:* These brief, casual remarks were delivered at an event to discuss Russell Roberts's book *How Adam Smith Can Change Your Life*. I provide nine quotations from Adam Smith's *The Theory of Moral Sentiments*, each quotation stating a source of vice, disorder, and corruption in human life. Smith speaks of each as a major, even principal source of disorder. Thus the enumeration vastly surpasses 100 percent. I suggest that, rather than thinking in terms of a ceiling of 100 percent, we read Smith as offering layers and lenses with which to explore sources of vice and disorder. I then turn the point around, applying it to virtues: For virtues, too, Smith is offering a plexus of layers and sets of lenses. Some of the main distinctions Smith makes between sets of virtues are made so as to advance liberalism, as opposed to being made so as to create a checklist of virtues and a guide to practicing them. The sets of lenses that he offers are fashioned sometimes to teach lessons in politics, not lessons in private morals. The political wisdom of the work is in good measure esoteric.

Keywords: Russell Roberts, Adam Smith, virtues, vices, esotericism.

JEL codes: A11, A13, B12

Russ's book, *How Adam Smith Can Change Your Life: An Unexpected Guide to Human Nature and Happiness*, comes across as a self-help book. Now, you might suspect Russ of disguising a political book – a classical liberal book -- as a self-help book. But it is a self-help book. It is both a self-help book and a liberal book.

The book suggests how you can improve your own life, and one suggestion is to utilize liberal sensibilities in making your pursuits. The thrust is not to make liberal causes your causes, but to make your pursuits in light of liberal wisdom, *conditioned* by liberal wisdom. Russ suggests that you accept commercial society, and that you center your pursuits in voluntary, peaceful realms of life -- family, church, neighborhood, work, play, commerce. In realms of life where we can take part in honest cooperation, relatively free of corruption.

The book is political in that, for the most important questions in life, questions of meaning, validation, identity, duty, community, it says: Be very wary of political answers to those questions. The economics of the book lies in explaining that your duty to serve your fellow human beings very often has no better way to proceed than for you to pursue honest income.

Russ's approach is to share his own encounter with *The Theory of Moral Sentiments*. A book like Russ's book could be written only by someone who had had an encounter like he had, had the courage to write about it, and had the ability to do so so effectively. I don't know who else could have written such a book.

If you want to read TMS but find it daunting, start with Russ's book. You will hear his experience with the work. Russ's book is a pathway to TMS. It acquaints you with the central ideas. Young people today are fortunate to have Russ's book, to take advantage of. I wish I'd had it when I was young.

Here, I thought I would make a few remarks about TMS, and relate those remarks back to Russ's book.

Russ quotes Smith on self-deceit:

- "This self-deceit, this fatal weakness of mankind, is the source of half the disorders of human life." (III.4.6: 158)

So self-deceit seems to be a big source of vice and disorder.

Smith also points to another source, namely faction and fanaticism:

- "Of all the corrupters of moral sentiments, therefore, faction and fanaticism have always been by far the greatest." (III.3.43: 155-6)

So faction and fanaticism are the greatest corrupters of moral sentiments, and self-deceit is the source of half of the disorders of human life. So it sounds like those sources of trouble must pretty well cover it.

Related to faction and fanaticism, Smith also says:

- "False notions of religion are almost the only causes which can occasion any very gross perversion of our natural sentiments in this way; and that

principle which gives the greatest authority to the rules of duty, is alone capable of distorting our ideas of them in any considerable degree.” (III.6.12: 176)

And wait!, Smith adds the following:

- “The great source of both the misery and disorders of human life, seems to arise from over-rating the difference between one permanent situation and another.” (III.3.31: 149)

Hmm. Now it seems he’s surpassed the ceiling of 100 percent. It seems that self-deceit, faction and fanaticism, and over-rating the difference in situations account for about 150 percent!

And there’s more. Smith speaks of people failing to show reserve, burdening others with one’s own experiences:

- “And it is for want of this reserve, that the one half of mankind make bad company to the other.” (I.ii.2.6: 33-34)

Oh, and he comments on admiration of the rich and powerful:

- “This disposition to admire, and almost to worship, the rich and the powerful, and to despise, or, at least, to neglect persons of poor and mean condition ... is ... the great and most universal cause of the corruption of our moral sentiments.” (I.iii.3.1: 61)

On this head, Smith adds:

- “never come within the circle of ambition; nor ever bring yourself into comparison with those masters of the earth who have already engrossed the attention of half mankind before you.” (I.iii.2.7: 57)

Now it seems like Smith has passed 200 percent in his account of the sources of vice and disorders.

But there’s more –

Smith writes of the ambitious pursuit of “place”:

- “And thus, place, that great object which divides the wives of aldermen, is the end of half the labours of human life; and is the cause of all the tumult and bustle, all the rapine and injustice, which avarice and ambition have introduced into this world.” (I.iii.2.8: 57)

Where are we now, 300 percent?

And finally, two more:

- “To be pleased with ... groundless applause ... is properly called vanity, and is the foundation of the most ridiculous and contemptible vices, the vices of affectation and common lying...” (III.2.4)
- “The propriety of our moral sentiments is never so apt to be corrupted, as when the indulgent and partial spectator is at hand, while the indifferent and impartial one is at a great distance.” (III.3.41: 154)

Now he’s pushing 400 percent.

Let’s review.

He points to these sources of vice, corruption and disorder in human conduct:

1. self-deceit
2. faction and fanaticism
3. false notions of religion
4. over-rating the difference between one permanent situation and another
5. want of reserve
6. disposition to admire the rich and powerful
7. the pursuit of place or status
8. pleasure in groundless applause
9. the impartial spectator being at a great distance

It would seem that Smith is double counting.

Some of the overage can be chalked up to exaggeration, of course.

But there are two other ways to see the matter.

First, to explain vice and disorder, Smith might be giving not only explanations, but also explanations of his explanations:

Vice <= over-rating difference <= self-deceit <= ambitious pursuit of place

So one way to makes sense of Smith is that the sources of vice and disorder may be layered or chained. Call that layering.

A second way to make sense of Smith is lenses. That is, to see each source of vice as a lens.

When Smith says that self-deceit “is the source of half the disorders of human life,” we might read that as: Half of the disorders of human life can be fruitfully interpreted through the self-deceit lens.

That doesn’t mean that such disorder cannot also be fruitfully interpreted through the faction and fanaticism lens, or the want-of-reserve lens, or any of the other lenses he exposit.

For example, take the activism circa 1919 of some particular person, call him Joe, in promulgating the 18<sup>th</sup> amendment to the US Constitution, taking effect in 1920, which imposed Prohibition. Joe’s activism for Prohibition might be usefully viewed through several of the nine lenses:

1. self-deceit
2. faction and fanaticism
3. false notions of religion
4. over-rating the difference between one permanent situation and another
5. want of reserve
6. disposition to admire the rich and powerful
7. the pursuit of place or status
8. pleasure in groundless applause
9. the impartial spectator being at a great distance

So, in reading Smith, I think that we should read him as offering layers and lenses, not neat schemes that make things line-up to make a grand total of 100 percent.

I’ve talked about sources of vice and disorder. Now let’s turn it around, to virtue. I think the same reading applies: For virtues, too, we have layers and lenses, not a neat scheme that makes a grand total of 100 percent.

Here I voice a small reservation about Russ's book. Russ says that "Smith tells us how to lead the good life," that Smith offers a "road map to happiness, goodness, and self-knowledge" (6, 9). Russ says: "Virtue is multifaceted for Smith, but his big three are prudence, justice, and beneficence. These are the traits that make us lovely" (145).

These moments in Russ's book smack a bit of the neat scheme image of virtues, rather than seeing Smith as offering a plexus of layers and set of different lenses.

I'm really not sure that I'd say that TMS "tells us how to lead the good life." I am more comfortable saying that it helps us in pursuing the good life by telling us *what not to do*. In my view, TMS, while exoterically a book principally about life among equals, you and your neighbors, is also, and partly esoterically, a book about politics, a liberal book about not looking to politics for answers, about the moral tragedy of governmentalizing social affairs. I think it is very important to realize that some of the main distinctions he makes between sets of virtues are made so as to advance liberalism, as opposed to being made so as to create a checklist of virtues and a guide to practicing them. The sets of lenses that he offers are fashioned sometimes to teach lessons in politics, not lessons in private morals.

A concrete example may illustrate virtues as lenses. Consider the act of writing *How Adam Smith Can Change Your Life*. Definitely a virtuous act. But think how we may apply different virtue lenses. In one respect, the act was the author's practice of prudence. In another respect, courage. In another, industriousness. In another, beneficence; also, more specifically, generosity. In another respect, perhaps gratitude—Russ's gratitude to Adam Smith.

Many virtues, many layers, many lenses.

And gratitude is an appropriate sentiment to end on. We have much reason to be grateful to Russ for a truly remarkable contribution to learning about Adam Smith.

## References

Roberts, Russell. 2014. *How Adam Smith Can Change Your Life: An Unexpected Guide to Human Nature and Happiness*. New York: Portfolio/Penguin.

Smith, Adam. 1790. *The Theory of Moral Sentiments*. Edited by D.D. Raphael and A.L. Macfie Indianapolis: Liberty Fund, 1982. [Link](#)