Adam Smith and Richard Price on a Free Society of Equals

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Abstract
In this article, I examine two competing republican ideals of a free society of equals in the eighteenth century. I claim that while the value of nondependency was central to the economic outlooks of both Adam Smith and Richard Price, their evaluations of free-market practices were dramatically distinct. In doing so, I introduce a new interpretation of the typologies of republicanism in the eighteenth century.

Keywords: Adam Smith; Richard Price; republicanism; wage labor; inequality; markets

According to Adam Smith, a fundamental effect of the development of commercial society is the increased independence of producers. In a commonly cited passage from the third book of the Wealth of Nations, Smith attributes this to the impersonal nature of competitive markets. He states that while producers in feudal societies largely depend on individuals to meet their needs, “tradesman[s] or artificer[s]” in market societies derive their subsistence from potentially “a hundred or a thousand different customers” and therefore are “not absolutely dependent upon any one of them” (WN III.IV.12).1 Some scholars locate Smith’s emphasis on the value of independence within the tradition of republican thought (Anderson 2015, 2016, 2017; Satz 2010).2 On this interpretation, Smith understood market societies to be emancipatory on the basis of their ability to organize economic relations through noncoercive means.

This identification, however, raises a problem. Republican thinkers have historically associated commercial relations with forms of dependency and domination. Cicero, for example, likens wage labor to a “contract to servitude,” claiming that “workers who are paid for their labour and not for their skill have servile and demeaning employment” (1991, 58). Although republicanism underwent a change in outlook by the eighteenth century, it maintained its skepticism toward commerce. Richard Price, for example, extolled the example of yeomanry farming in the North American colonies and supported the rights of small farmers and commoners against the British parliamentary enclosure acts. On Price’s republican outlook, economic independence was associated with a form of material self-sufficiency.

Smith also praises the independent farmer, claiming that the “planter who cultivates his own land” and gains “necessary subsistence from the labour of his own family is really a master, and

1Abbreviations are from the Liberty Fund reprints of the Glasgow editions originally published by Oxford Clarendon Press: Adam Smith, An Inquiry into the Nature and Causes of the Wealth of Nations, eds. R. H. Campbell, A. S. Skinner and W. B. Todd (2 vols., Oxford, 1976), henceforth WN; Adam Smith, The Theory of Moral Sentiments, eds. D. D. Raphael and A. L. Macfie (Oxford, 1976), henceforth TMS; Adam Smith, Lectures on Jurisprudence, eds. R. L. Meek, D. D. Raphael, and P. G. Stein (Oxford, 1978), henceforth LJ. LJa refers to the report of 1762–63; LJb to the report dated 1766.

2Fleischacker emphasizes the importance of independence for Smith but does not locate him within the republican tradition (1999, 151–60).

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independent of all the world” (WN III.I.5). Unlike Price, however, this ideal proves to be an exception to Smith’s economic theory, which is otherwise in favor of a landlord model of agriculture, i.e., agrarian capitalism. Smith suggests that through the introduction of leases, producers were de facto as independent as yeoman farmers without being actual owners of the land. Smith also views wage laborers as independent producers, thus departing from a republican identification of hired labor with republican unfreedom. Compared to his republican contemporaries then, Smith assumes that a very different set of economic arrangements were capable of realizing conditions of nondependency.

This article details these differences through a comparison between Price and Smith. In doing so, it introduces a new interpretation of the typologies of republicanism in the eighteenth century. Elizabeth Anderson, for instance, makes a distinction between agrarian and commercial republican thought and locates Smith in the latter group. On her account, however, Smith was, like the agrarian republican thinkers (e.g., Price), opposed to the monopolization of land and the commodification of labor. She argues that Smith defended a free market model that was largely organized by self-employed producers. The following interpretation demonstrates how Smith, alternatively, understood an agrarian capitalist system to be commensurable with the value of nondependency. It claims, therefore, that while Price and Smith employed republican values in their political-economic outlooks, their ideals of a “free society of equals” reveal conflicting evaluations of free-market practices. In reconsidering this eighteenth century debate, this article also aims to contribute to contemporary discussions concerning the compatibility of a free-market economy with the republican ideal of independence (e.g., Anderson 2015, 2017; Frega, Herzog, and Neuhäuser 2019).

1. Richard Price and the agrarian republican ideal

The vast amount of scholarship on the tradition of republican political thought has demonstrated that the dominant conception of liberty in the early modern period was a republican one.3 The concept has its origins in the legal category of sui juris in Roman law, which denotes the status of an independent person who is not under the power (potestas) of another (Watson 2009). Unlike a liberal (negative) conception of freedom, republican freedom emphasizes the importance of securing a subject’s legal status to protect them from interpersonal forms of arbitrary power, be it under a ruler or other subjects. As Locke writes, political freedom requires a “standing rule to live by” and freedom from being “subject to the inconstant, uncertain, unknown, arbitrary will of another man” (1980, 17). Neo-republicans define this type of freedom as nondomination.4 On Pettit’s account, republican freedom is distinct from negative freedom (i.e., noninterference) insofar as there can be domination without interference and interference without domination. Domination refers not to a specific act of interference, but “the capacity to interfere arbitrarily” in one’s choices (Pettit 1997, 23). As Anderson describes it, a dominated person is one “who must obey another’s arbitrary orders, whose liberty is enjoyed only at the pleasure of a master who can take it away without notice, justification, process, or appeal” (2015, 52).

Eighteenth-century republicans departed from the inegalitarian outlook of classical republicans. Because the latter group believed that free republics required a class of unfree laborers, republican freedom was employed only descriptively to designate a person’s civil status (Gourevitch 2015). In the seventeenth and eighteenth centuries, the term approached a more

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1I take Smith’s adoption of a republican conception of freedom to be distinct from his relationship to republicanism as a political theory. As Eric MacGilvray claims, “although it is true that not everyone who appealed to freedom as a political value in the pre-modern period is properly described as republican, it is nevertheless the case…that anyone who appealed to freedom as a political value would have defined the word in republican terms” (2011, 16).

2It is important to note that republicanism is a contested term. The neo-republican or neo-Roman view theorizes freedom as nondomination, and the civic-humanist or neo-Aristotelian view theorizes freedom as democratic self-rule.
universal meaning. Republicans sought to expand civil and political freedoms to more members of society (albeit not, on some accounts, to women or the landless). They also prioritized economic self-sufficiency and, in some cases, supported the ideal of an agrarian owner-occupier society. Compared to classical republicans, these republicans were therefore less hostile to the activity of labor. For the latter, however, labor was considered free only when it was self-governed. As an example of this outlook, Abraham Lincoln writes: “The prudent, penniless beginner in the world, labors for wages awhile, saves surplus with which to buy tools or land, for himself; then labors on his own account another while … [this] is free labor” (2001, 478–79). Here Lincoln makes a clear distinction between “free labor” and “hired labor,” claiming that those who remain hired laborers do so on account of the fact that their “dependent nature” prefers it (2001, 479). Thus, for some early modern republicans, wage labor continued to be associated with dependency and subjection to arbitrary authority.

Republican thinkers who supported the ideal of an owner-occupier society are sometimes referred to as “agrarian republican thinkers.” In his criticism of the British parliamentary enclosures, Richard Price offered a trenchant critique of private government in the economic sphere from an agrarian republican perspective. The parliamentary enclosures were an acutely aggressive form of enclosure, often entailing a quick and nonnegotiated removal of people from the land. With the enclosure of 6.5 million acres of land, changes in land ownership were drastic during this period. The development of large farms also caused a decline in other methods of agricultural production, including yeomanry farming and communal uses of the land, e.g., gleaning, grazing, and collecting materials for fuel. While by the period of the parliamentary acts the yeomanry was largely displaced, a large population of commoners continued to be negatively impacted by the changes in property ownership and distribution.

Price became interested in the effects of the enclosures as an outcome of his research on urban and rural mortality rates in Observations on Reversionary Payments (1773). In earlier editions of the text, he identified depopulation with luxury in urban areas, but he later came to view engaging and enclosure, i.e., “the accumulation of property,” as a major barrier to population growth (1773, 381). For Price, moreover, the “evils” of property accumulation went beyond its negative impact on the rural population (381). A central cause for his condemnation of enclosure was the effect it had in eliminating opportunities for self-sufficiency. As he explains, when land “gets into the hands of a few great farmers, the consequence must be, that the little farmers will be converted into a body of men who earn their subsistence by working for others, and who will be under a necessity of going to market for all they want” (382). Price specifically addresses the role of parliament in perpetuating this situation, claiming that “modern policy” was “more favourable to the higher classes of people,” and that “the consequence of it may in time prove, that the whole kingdom will consist of only gentry and beggars, or of grandees and slaves” (393). He also makes a clear distinction between those who work “for themselves” and those who “work for others,” concluding “[t]he circumstances of the lower ranks of men are altered in almost every respect for the worse. From little occupiers of land, they are reduced to the state of day labourers and hirelings” (393–94). In suggesting that the creation of day laborers worsens the situation of the “lower ranks,” Price adheres to the agrarian

5As Anderson notes, classical republicans believed that “free citizens should not have to work at all, even for themselves, as self-employment in a trade focused the mind on base private interest and supposedly made people unfit to consider the public interest” (2015, 54).

6Two surges occurred, one beginning in the midcentury (1755–1780) and a second at the start of the French revolution (1793–1815) (Thompson 2008, 624). McNally notes this amounted to “20 percent of the total land of England,” and up to 50 percent in other areas (1988, 11).

7On disappearance of yeoman, see Allen (2011). On the effects of enclosure on commoners, see Neeson (1993).

8Thompson notes that, due to its popularity, it was published under seven editions dating from 1771 to 1812 (2008, 627).

9He writes, “How astonishing is it that our parliament, instead of applying any remedy to these evils, should chose to promote them, by passing every year, bills almost without number, for new enclosures?” (Price 1773, 390).
republican distinction between free (self-employed) and unfree (waged) forms of labor, with an obvious preference for the former.

The importance of communal and private land ownership for ensuring self-sufficiency and independence among the poor is also emphasized in Price’s commentary on the price of grain. He claims that in the past, when grain prices were high, it did not cause “alarm” among the poor (384). This was because people “could live more upon other food which was then cheap; and because also being more generally occupiers of land, they were less under a necessity of purchasing bread” (384). When the poor are forced off the land, high prices have a greater impact on their livelihood since their main source of subsistence is grain purchased on the market.10 Because of this, when prices are high, the poor “are rendered incapable of maintaining themselves” (384). Price was concerned thus that if people were primarily dependent on the market for meeting their subsistence needs, market failure or disruption could be potentially catastrophic.

As a solution to the dispossession of the laboring poor, Price endorses a policy of agrarian reform. He comments how in providing land to a “multitude of little proprietors and tenants,” people can “maintain themselves and [their] families by the produce of the ground they occupy, by sheep kept on a common, by poultry, hogs, etc.,” and be left with “little occasion to purchase any of the means of subsistence” (382). That Price favors a small owner-occupier model is also evident in his commentary on the American colonies. In the postscript, he notes that America is an example of a “simple” and earlier state of civilization, where “everyone occupies land for himself” and is in a state of great happiness (380–81). The idea of an owner-occupier model is taken up again in his later 1785 text, Observations on the Importance of the American Revolution and Means of Making it a Benefit to the World (1991). In a section titled “Of an Unequal Distribution of Property,” Price favorably describes the inhabitants of Connecticut as an “independent and hardy yeomanry, all nearly on a level, trained to arms, instructed in their rights, cloathed in homespun, of simple manners, strangers to luxury, drawing plenty from the ground” (1991, 145). In this same text, he mentions “Plato, Sir Thomas More, and Mr. Wallace” as “some great men” who developed the idea of “community of goods” and the abolition of property (145). Ideas that, if put into action, would make it “impossible for any one member of a state to think of enslaving the rest, or to consider himself having any interest distinct from that of his fellow-citizens” (145). Price states that he is not able to give the best solution to inequality, but that “there is an equality in society which is essential to liberty,” and that every state ought to seek to maintain it (145).

Price’s political and economic outlook is representative of the broader republican theorization of freedom as nondependency. As Price writes, freedom requires that we are “masters of our own resolutions and conduct” (76). He equates liberty (be it in our religious, moral, civil, or political lives) with “self-direction” and “self-government,” and servitude or slavery with subjection to an external will (76, 22–23).11 Price also defends a participatory form of government, where legislative authority originates with the people and representatives have limited authority, acting only as trustees of the public.12 From these ideals, it is not surprising that Price was critical of the

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10Price also provides some evidence that many of the enclosed properties, when they are converted to pasture, produced less in tillage than before (1773, 388–89). He quotes Stephen Addington, who also comments on the displacement of small proprietors, observing that in many places “four or five” farmers engross land that “was before in the hands of 20 or 30 families” (1773, 390).

11Pettit notes that Price did not identify liberty with noninterference (1997, 34–35). Consider, for example, Price’s comment, “Individuals in private life, while held under the power of masters, cannot be denominated free however equitably and kindly they may be treated” (1991, 77).

12Pettit contends that republicans viewed political participation as an instrumental good that is distinct from republican freedom (1997, 29). Price, to the contrary, includes political freedom in his conception of civil liberty.
proletarianization of the poor, a process that, on his description, stripped producers of the right to self-governance over their labor.\textsuperscript{13}

\section*{2. Smith’s commercial republicanism}

As already noted, in the \textit{Wealth of Nations}, Smith also praises the yeomanry model of agriculture advocated by Price. In his explanation for why North American colonists would choose to invest their stock in land, instead of manufactures or trade, Smith states that when one is a “planter who cultivates his own land” and gains “necessary subsistence from the labour of his own family,” one “is really a master, and independent of all the world” (WN III.I.5). Smith further contrasts the independence of the self-sufficient farmer with the dependency of an artificer, who, despite earning “large wages,” remains a “servant to his customers, from whom he derives his subsistence” (WN III. I.5). Here Smith assumes the agrarian republican distinction between dependent and independent forms of labor, with (in this passage) a favorable view toward the latter. Smith also writes of “small proprietors” that they are “of all improvers the most industrious, the most intelligent, and the most successful” (WN III.IV.19).\textsuperscript{14}

Some scholars interpret Smith’s commentary here as evidence of his support for a procommercial owner-occupier society.\textsuperscript{15} Elizabeth Anderson, for instance, argues that support for free markets in the seventeenth and eighteenth centuries was consistent with the belief in a “free society of equals,” i.e., a society where people could “lead lives characterized by personal independence from the domination of others” (2017, 8). In the seventeenth century, for example, some thinkers, including the Levellers, opposed various forms of monopoly that barred opportunities for self-employment, including guilds and state-licensed patents and charters for trade. The presumption was that in breaking up the exclusive and monopolistic practices of the mercantile state (and the intermediary institutions that it supported), unrestricted trade would upend the forms of “private government” that such monopolies encouraged.

Smith’s free market model is located in the same normative project by Anderson. On her reading, his ideal economic system was one “dominated by small-scale enterprises, run by independent artisans and merchants, with at most a few employees” (Anderson 2017, 21). Smith’s disapproval of primogeniture and entail is cited as a further example of his opposition to the monopolization of productive resources. Anderson contends that Smith believed that the eradication of such policies would lead to a greater division of property and an increase in the number of yeoman farmers, whom she defines as “small proprietors who work their own land” (2017, 21). She writes, “Smith looked to North America as a model of what would happen: even individuals of very modest means could buy their own farms, and yeoman farmers dominated the agricultural sector” (23). In this way, Anderson brings Smith’s views closer to the agrarian republican tradition that also supported an economic model of self-employed producers. The difference being that Smith did not endorse an

\textsuperscript{13}Price does claim that, under certain conditions, wage labor is not inconsistent with liberty. He states that, in letting out one’s labor, one comes into the “station of a servant.” However, he continues, “being done by himself, and on such terms only as he chuses to consent to, it is an instance of his liberty, and he will always have it in his power to quit the service he has chosen or to enter into another” (1991, 86). Perhaps, like Lincoln, Price permitted wage labor only as a necessary step toward greater independence. It’s clear, moreover, that this view did not lead Price to support the development of agrarian capitalism, as Smith did (point 1 develop below).

\textsuperscript{14}Smith also observes that when a farmer, instead of a proprietor, cultivates land, the improvement comes about more slowly. This is because a portion of the produce is absorbed by rent, which cannot be invested into the “further improvement of the land” (WN III.II.20).

\textsuperscript{15}Fleischacker holds a similar view regarding Smith’s understanding of manufactures. He notes that Smith’s ideal market society consists of “small firms” (1999, 238). He also claims that Smith believed that, in the future, owners of stock would lose power over their employees. “People would wind up becoming more and more independent of one another, in their labor, as commerce progressed … That would explain why Smith never worries about dependency of laborers under commerce: he did not see that dependency could again come to increase” (1999, 182).
agrarian law imposed by the state to achieve these aims, but rather defended deregulation and free competition.16

Smith’s commentary here, however, proves to be exceptional. In his description of the “unnatural” development of commerce in Europe, where trade and manufactures in the towns developed prior to agriculture in the country, Smith describes a method of agricultural production that was distinct from the yeomanry model in the North American colonies. As Smith notes, “In Europe the law of primogeniture, and perpetuities of different kinds, prevent the division of great estates, and thereby hinder the multiplication of small proprietors” (WN III.IV.19). In addition to the fact that there were fewer small proprietors, Smith also describes the emergence of a class of farmers who were not fully independent in the sense the American colonists were since they were leaseholders and renters of the land, not owners.

Smith acknowledges this in his description of the decline of feudalism and emergence of commercial societies in Europe. In the feudal period, the lords spent their wealth on retainers and dependents, who, in exchange for the lords’ “rustic hospitality,” repaid them with subordination and obedience (WN III.IV.5). With the rise of commerce and manufacturing, however, the lords were given a new outlet for spending their wealth. They soon dismissed their retainers and released the peasants from the land, leaving a few to remain in exchange for a higher rent. In response, tenants demanded longer leases, which they were readily granted. Smith admits that the new class of yeomanry did not consist of full property owners. He concludes, however, that tenants who have secure leases are “altogether independent” from proprietors, noting that proprietors cannot ask more from their leaseholder “beyond what is either expressly stipulated in the lease, or imposed upon him by the common and known law of the country” (WN III.IV.13). He goes so far as to claim that even a “tenant at will, who pays the full value of the land, is not altogether dependent upon the landlord,” reasoning that, unlike servants or slaves, such a tenant “will expose neither his life nor his fortune in the service of the proprietor” (WN III.IV.13).

Throughout the book, Smith assumes this triadic arrangement, or landowner model, of agriculture—not an owner-occupier model.17 On this model, and as it was also practiced at the time, proprietors rent land out to farmers, who then employ workers to cultivate the land and produce a surplus sufficient to cover both the costs of production, profit, and rent. This is evident, for instance, in his comments on the topic of land rent in book one of the Wealth of Nations. Here, Smith reiterates what he has already described in the preceding chapters, which is that the “whole annual produce” of a country divides into three parts: the rent of land, the wages of labor, and the profits of stock (WN I.XI.P.7). He adds to this observation that these forms of revenue map on to “the three great, original and constituent orders of every civilized society” (WN I.X.I.P.7). There are “those who live by rent” (i.e., proprietors), “those who live by wages” (i.e., workers), and “those who live by profit” (i.e., merchants and manufacturers) (WN I.XI.P.8ff). Importantly, Smith characterizes the proprietor class, or the class that lives by rent, as a class whose revenue “costs them neither labour nor care” (WN I.X.I.P.8). This class is not, therefore, associated with a class of small proprietors or self-employed farmers. As another example of this, Smith writes that investment in agriculture is the most profitable way to employ stock because a farmer’s “labouring servants” (along with his “labouring cattle”) are able to generate a value over and above the capital invested by the tenant.

16 Donald Winch also notes that Smith did not adopt the views of his mentor Hutcheson, who supported “Harringtonian propositions” in favor of an agrarian law (1978, 66–67). Winch suggests, however, that Smith’s opposition to primogeniture and entail come close to this view. Fleischacker claims that Smith’s “commitment” to civic republican principles was “tepid,” but supports Winch’s interpretation (2004, 249).
17 I borrow the term ‘triadic’ from David McNally, who also interprets Smith’s economic outlook as a model of agrarian capitalism (1988, 233).
18 Smith notes that the landlord receives rent even though they may have little to nothing to do with the “improvement” of the land (WN I.XI.A.2ff). Smith also notes that the profits of stock are not earned by the “hardship, or the ingenuity of this supposed labour of inspection and direction” (WN I.VI.6).
farmer, i.e., rent for the landlord (WN II.V.12). He adds, “Of all the ways in which a capital can be employed, it [agriculture] is by far the most advantageous to the society” (WN II.V.12). Smith also notes that the employment of capital in agriculture is a more secure investment, since it remains under the owner’s “view and command,” unlike the capitals in trade which were more “liable to accident” (WN III.I.3). For this reason, the development of agriculture is held by Smith to be “naturally” prior to the development of manufactures and trade.

Smith does not appear then to explicitly claim that the landowner model should be replaced with a yeoman model, as it was practiced in the North American colonies. Alternatively, Smith claims that with the development of contractual agreements through leases, it was possible for producers (farmers) to remain “independent” without being in actual possession of the land. In another example, Smith writes, “the security of the tenant is equal to that of the proprietor,” adding that, “laws and customs so favorable to the yeomanry, have perhaps contributed more to the present grandeur of England, than all their boasted regulations of commerce taken together” (WN III. II.14). This marks a departure from his claim that colonists were “independent of all the world” because the land they cultivated was their own. There is also less evidence to support Anderson’s claim that Smith supported small-scale forms of production not only in agriculture, but also in manufacturing. She suggests that his pin factory example, which employed only ten workers, is indicative of this view (WN I.I.3). Smith, however, claims that the pin factory is a “trifling” manufacture, and employs a small number of workers because it meets a small demand. His choice in discussing the pin factory in no way appears to be prescriptive, rather it is chosen for the purposes of illustrating, to the “spectator,” how economies of scale function (WN I.I.3). If Smith was aware then of the differences between the landowner and owner-occupier model, he does not seem to suggest that the former was any worse than the latter, both in terms of its favorable effects on the liberty of producers and (to an extent) economic growth.

Perhaps more troubling for the interpretation of Smith as a proponent of an agrarian owner-occupier society, as it was perceived by some thinkers in the eighteenth century, was his reaction to the enclosures. One would expect that if Smith were in favor of small owner-occupiers, he would join thinkers like Price in their opposition to the enclosures—a practice that posed the greatest threat to commoners and small landowners during this period. In the few references Smith makes to the enclosures, however, no such criticism is apparent. Smith’s mentioning of the enclosures in his historical account of the development of commerce, for example, appears to be neutral. He writes, “Farms were enlarged, and the occupiers of land, notwithstanding the complaints of depopulation, reduced to the number necessary for cultivating it, according to the imperfect state of cultivation and improvement in those times” (WN III.IV.13). Smith also associates enclosure with agricultural improvement. In his discussion of fixed capital, he lists “improvements of land,” and includes as examples of this “clearing, draining, enclosing, manuring, and reducing it into the condition most proper for tillage and culture” (WN II.I.16). He writes that “[a]n improved farm may very justly be regarded in the same light as those useful machines which facilitate and abridge labour” since both contribute to a higher revenue (WN III.I.6). In these comments, Smith identifies enclosure with improvement and increases in productivity.

Smith also does not seem especially concerned about the rights of commoners. This is evident in his Lectures on Jurisprudence, where he discusses the historical development of private property. Here, Smith refers to how in the early stages of agricultural development “the whole community cultivated a piece of ground in common” after which the crop was divided based on rank and the
size of families (LJa, i.50). Because of these communal practices, he suggests that private property would have had to develop when people established “fixed habitation” in cities, to which he adds, this “would probably be the case in every improved society” (LJa, i.51). He claims that with fixed habitations the “division of land once for all” would be seen as the “easiest method” of agriculture compared to the “the unnecessary trouble of dividing the produce every year” (LJa, i.51). As evidence of these past forms of communal production, Smith cites how in England, “as soon as the crop is off the ground the cattle are no longer kept up or looked after but are turned out on what they call the long tether; that is, they are let out to roam about as they incline” (LJa, i.52–53). He notes how although such practices are against an Act of Parliament, “the country people are so wedded to the notion that property in land continues no longer than the crop is on the ground that there is no possibility of getting them to observe it, even by the penalty which is appointed to be exacted” (LJa, i.52–53). In sum, Smith’s association of communal forms of production with an antiquated method (since surpassed by regimes of private property), as well as his comments on its illegality, further distance him from Price, who describes such practices in far more sympathetic terms.

It seems more likely that Smith was on the side of the “improvers” in the debate over the enclosures in the eighteenth century. As S. J. Thompson notes, other Scottish enlightenment thinkers, including Hume and Sir James Steuart, directly refuted republican arguments that emphasized the deleterious effects of luxury and commerce, including (as seen in Price) depopulation (2008, 635–36). For instance, in his essay “Of the Populousness of Ancient Nations” in Essays Moral, Political, and Literary, Hume disputes the republican claim that modern commercial societies were less populous than ancient republics (a view held by Montesquieu) by arguing that that the republican dependency on slavery was itself a cause of depopulation.21 Smith’s critical commentary on “party pamphlets,” which purport how “the wealth of the nation was fast declining, that the country was depopulated, [and] agriculture neglected,” may also be a reference to contemporary concerns about depopulation and decline in tillage as a result of commercial growth (WN II.III.34). Hume and Steuart also rejected the owner-occupier model and egalitarian schemes for property distribution. In his discussion of justice in the Enquiry Concerning the Principles of Morals (1751), Hume, for instance, directly criticizes (on practical grounds) the Leveller idea that property should be equally distributed (EPM 3.24–25; SBN 193–94).22 Thompson notes that Steuart also criticized this view by claiming that the removal of small proprietors was beneficial to the state. He argued that, insofar as the wealth of the rich trickled down to the poor, the consolidation of land was not harmful, and that, moreover, it increased the number of laborers in urban areas for manufactures, which, in turn, increased the demand for agricultural output (2008, 637–38). Thompson further demonstrates how many of these ideas were employed by pro-enclosure proponents, including Arthur Young, to defend large commercial farms against the claims of detractors like Price (2008, 638).23

Many of Smith’s views align with the outlooks of pro-enclosure proponents. For instance, in his lectures, Smith also associates an agrarian law with negative economic effects:

For tho an agrarian law would render all on an equality, which has indeed something very agreeable in it, yet a people who are all on an equality will necessarily be very poor and unable to defend themselves in any pressing occasion … So that in the present state of things a man of

21In his essay “Of Refinement in the Arts,” also in Essays Moral, Political, and Literary, Hume defends moderated luxury due to its positive societal effects. Smith, albeit cautiously, follows Hume on this point. Consider, for instance, Smith’s discussion of the “invisible hand” in The Theory of Moral Sentiments. He claims the belief that wealth will bring us happiness is a deception, but it is a deception that “keeps in continual motion the industry of mankind” (TMS IV.I.10).

22References are from Hume (1998, 1975) cited in the text, respectively, as EPM followed by section and paragraph and SBN followed by page number.

23Young, for example, references a quote by Hume which states “the law enacted against inclosures, and for keeping up of farm-houses, scarcely deserves the high praises bestowed on it by Lord Bacon” (1774).
a great fortune is rather of advantage than disadvantage to the state, providing that there is a gradual descent of fortunes betwixt these great ones and others of the least and lowest fortune. (LJa, iii.138–39)

Here Smith identifies inequality in property ownership with favorable conditions for economic growth. This claim, moreover, is central to his argument in the Wealth of Nations. In the opening of the book, he claims that while modern commercial societies are vastly more unequal than primitive societies, the “workman” of the “poorest” and “lowest” order in a commercial society is nevertheless better provided for (WN I.4).24 This idea is also expressed in an early draft of the Wealth of Nations, where Smith claims that the division of labor “can alone account for that superior opulence which takes place in civilized societies, and which, notwithstanding the inequality of property, extends itself to the lowest member of the community” (ED 563ff).25 These and other passages, including his discussion of the invisible hand in the Theory of Moral Sentiments (TMS IV.I.10), also suggest the possibility that Smith was responding to republican concerns by claiming that material equality can still be achieved in a society with an unequal distribution of property (this point will be expanded on below).

Thompson claims that while Price and other opponents of enclosure invoked “moral and political reasons” for their opposition, improvers focused on “the economic potential of a modern system of large-scale commercial farming, liberated from the low productivity constraints of small-holding” (2008, 624). He concludes of Hume and Steuart that their “contribution to the enclosure debate was to deny the economic value of the classical republican economy of independent smallholders” (638). I have suggested here that Smith’s economic outlook can also be seen as fitting in with the pro-enclosure outlook, but his contribution to this debate should also be seen as a normative one insofar as he assumes that the new model of agricultural production did not inhibit the republican freedom of producers.26 This is already apparent in his claim that tenants, even ones without a lease, were essentially as independent as proprietors. The next section will suggest that this interpretation is further supported by Smith’s departure from the agrarian republican association of wage labor with dependency. Only by identifying wage labor as free labor could Smith’s support for an agrarian capitalist economy be made consistent with his claim that commerce liberated people from the “servile” conditions of feudalism (WN III.IV.4).

3. Securing independence through wage labor

That Smith did not share the concerns of his contemporaries over the proletarianization of the poor is further corroborated by his theorization of wage labor as a form of free labor. Although Anderson recognizes that Smith was not as “hostile” to wage labor as other republican thinkers, on balance, she assumes that Smith sought to limit the commodification of labor by establishing an economic model based on self-employment (2015, 57). On her account, “the early pro-market view did not aim to promote the commodification of labor,” alternatively, pro-market thinkers “hoped that with the right reforms, the emerging market order would liberate people from servitude, including wage labor, rendering it—in Lincoln’s most optimistic vision—at most as only a temporary stage of life” (2017, 124). I have shown how this interpretation is inconsistent with Smith’s support for

24Istvan Hont and Michael Ignatieff claim that this “paradox” was the central question Smith’s economic analysis in the Wealth of Nations sought to answer (1983).
25Some scholars associate this claim with Rawls’s difference principle. While revisionist scholars might interpret this as evidence of Smith’s progressive economic outlook, it is worth noting that there also exist right-wing Rawlsian arguments justifying supply-side economics or right-wing market democratic regimes. See Reiff (2012) and Arnold (2013). I thank an anonymous reviewer for raising this point and providing these references.
26Thompson suggests the same, but he does not go into detail about how Smith’s views directly contribute to this debate (2008, 639).
commercial agriculture, which dramatically limited opportunities for land ownership throughout the eighteenth century. This section demonstrates how Smith also understood hired labor as a condition that was compatible with economic independence, and therefore departed from agrarian republicans who associated it with conditions of servitude.

It is important to first note that Smith was not unaware of the oppressive conditions that workers faced. He recognizes, for instance, that because workers lacked the necessary stock (or capital) to withhold their labor, they were disadvantaged in disputes over wages with their masters. He comments that “a landlord, a farmer, a master manufacturer, or merchant” could live “a year or two” on the stocks they have saved up, unlike laborers who, for the most part, “could not subsist a week” without employment (WN I.VIII.12.). Smith concludes from this that while workers are necessary for masters, this “necessity is not so immediate” for the master, as it is for the workman (WN I.VIII.12). In being dependent on their employer to provide them with a wage, employers also obtain an “advantage” in disputes over wages and are able to “force” workers into “compliance with their terms” (WN I.VIII.12). Smith comments, moreover, that the law tended to favor employers insofar as it only prohibited the “combination” of workers and not the combination of masters (WN I.VIII.13). Smith, in the final book of the Wealth of Nations, also discusses the negative effects of the division of labor for the laboring poor. He claims that in subjecting workers to a type of labor that entails repetitive and simple “operations,” they are prevented from developing their “understanding” (WN V.I.F.50). As a result of this, he claims that workers become “stupid,” “ignorant,” and incapable of developing their social, intellectual, and martial virtues (WN V.I.F.50).

In these passages, Smith acknowledges the unequal relations between workers and their employers, as well as the demeaning and oppressive conditions to which unskilled workers may be subjected. While Smith appears sympathetic to workers, and even defends the idea of a “liberal reward” for labor, he does not conclude from this that workers were therefore unfree. In a general sense, Smith believes that all humans are dependent on others. In his well-known discussion of self-interest, Smith comments that what distinguishes “man” from other animal species, is that, unlike other animals, at no stage in life is man ever “entirely independent” (WN I.II.2). Man, conversely, “has almost constant occasion for the help of his brethren” (WN I.II.2). Smith’s commentary, however, also assumes a distinction between forms of dependency. That is, humans can either meet their needs through servile behavior—where, like a dog, they seek to obtain another’s “good will” through “servile and fawning” behavior—or through nonservile behavior, which entails appealing to another’s self-interest (WN I.II.2). These distinctions are clear in the case of the beggar, whose needs are sometimes met through dependency on the “benevolence” of others, but are more generally satisfied, according to Smith, “in the same manner as those of other people, by treaty, by barter, and by purchase” (WN I.II.2).

Workers are also located in this contractual sphere of nonservile dependency. This view is demonstrated in Smith’s description of commercial society in the third book of the Wealth of Nations. Here, Smith contends that the most “important” effect of introducing commerce and manufactures in Europe was that it brought about “liberty and security” for individuals (WN III. IV.4). Smith attributes this to the impersonal nature of market relations. He states that in contrast to feudal relations where “tenants and retainers” are dependent on a single lord for their subsistence, “tradesman[s] or artificer[s]” in market societies derive their subsistence from potentially “a hundred or a thousand different customers” and therefore are “not absolutely dependent upon any one of them” (WN III.IV.11). Smith includes not only sellers of goods, but also the wage laborers they employ, as beneficiaries of this system.28

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27I thank an anonymous reviewer for bringing to my attention the unique example of the independent beggar.

28In purchasing goods, a wealthier proprietor “indirectly pays” the “wages and profits” of those employed in producing the good and therefore “indirectly contributes to the maintenance of all the workmen and their employers” (WN III.IV.11).
While Smith’s comments here refer to the producer’s relationship to the consumer (whether employer or employee), commentators often assume that Smith understood this logic to also apply to labor markets. In other words, just as a producer in a free market economy is not subject to the coercion of a single consumer, an employee in a free market economy is, to borrow Milton Friedman’s terms, “protected from coercion by the employer because of other employers for whom he can work” (2002, 14–15). Indeed, Smith contends that in conditions of “perfect liberty,” a worker would be free to choose “what occupation he thought proper and to change it as often as he thought proper” (WN I.X.I). For Smith then, in market societies, wage laborers are not subject to the arbitrary authority of their masters insofar as they remain free to leave their employer and work for another. On this view, wage labor can be understood as a departure from the “servile dependency” that characterized feudal relations of production, where producers were subject to the arbitrary will of their masters. As Smith states in his Lectures on Jurisprudence, the greatest source of security within the nation comes from elimination of “dependency,” the opposite of “freedom and independence” (LJa, vi.6). He attributes “commerce” as the “great preventative” of such servile customs, writing: “manufactures give the poorer sort better wages than any master can afford; besides, it gives the rich an opportunity of spending their fortunes with fewer servants, which they never fail of embracing” (LJa, vi.6–7).

Smith’s discussion of labor is also suggestive of the idea that commerce has a levelling effect in society. Smith claims, for instance, that in opulent societies the nonpecuniary aspects of labor (including their agreeableness, cost of training, constancy of employment, level of responsibility, and risk) counterbalance the pecuniary elements of the job. While bricklayers are paid more than common laborers, this is due to the inconstancy of their employment (WN I.X.B.12). Smith contends thus that “advantages” and “disadvantages” in employment tend toward equality. Another advantage of wage labor in commercial societies is that people can live by employment in one trade. This is contrasted with the tendency of workers in “poor” countries, like the Cotters in Scotland, who sell their labor more cheaply than common laborers (WN I.X.B.49). It is not only workers who experience this levelling effect. In Theory of Moral Sentiments, Smith claims that even a beggar, both “in ease of body and peace of mind,” stands “upon a level” with “all the different ranks of life,” possessing “that security which kings are fighting for” (TMS IV.I.10). Smith here appears to conceive of equality not only in terms of civil freedom, but also in a material sense. He claims that the rich don’t consume any more food than the poor. There is only a difference in the quality of what they consume.29 What the rich consume beyond this, moreover, provides the poor with a source of employment. For this reason, the pursuit of wealth by the rich results in “the same distribution of the necessaries of life, which would have been made, had the earth been divided into equal portions among all its inhabitants” (TMS IV.I.10).

As further evidence of Smith’s identification of wage labor with a condition of nondependence, he also adopts a contractual view of labor relations. From this perspective, it is believed that because people possess property in their person, they are free to alienate it through contractual exchange. This outlook has its roots in the tradition of natural law, which was influential on Smith’s thinking, especially as it pertained to his jurisprudential and moral thought.30 Hugo Grotius, whom Smith favorably addresses in his discussion of jurisprudence, is typically cited as a formative figure in the theorization of rights in terms of subjective possession.31 For Grotius, all rights entail a relationship of ownership, where to have a right to something is to have dominium over it. Grotius even goes so far as to claim that because persons have a right to liberty, and thus

29See also WN LX.I.C.7.
30See Lieberman (2006) and Haakonssen (1996).
31Richard Tuck (1979) traces the “possessive thesis” view back to the early and high Middle Ages (in disagreement with C. B. MacPherson) but attributes its revival in the early modern period to Grotius.
have *dominium* over their liberty, they are free to alienate it through voluntary submission into slavery or despotism (1901, 63).

Not all natural-law theorists were in agreement with Grotius. On Locke’s view, for instance, while rights are also viewed in terms of possession, the right to one’s liberty is something that cannot be alienated since this would be to “forfeit” one’s “preservation” and “life” (1980, 17). Locke does, however, permit a modified version of voluntary slavery in the form of servitude, where a master and slave enter into a contract of “limited power on the one side and obedience on the other” (17). He also gives the example of a time when men sold themselves into “drudgery,” a form of servitude distinct from slavery, where masters do not possess *absolute* power over the life and death of their servants.\(^3\) Since Locke’s political theory permits “voluntary alienation contracts,” David Ellerman argues that it represents a “faux” doctrine of inalienable rights (2015, 12). On Ellerman’s account, a real inalienable rights approach holds self-governance to be factually inalienable. Contracts, therefore, that entail an alienation of this right, whether voluntary or not, are viewed as invalid and fictional. This latter view—a “real” inalienable rights approach—might better describe eighteenth-century thinkers who opposed wage labor on the grounds that it placed the control over one’s labor in the governance of the employer’s private will.

Smith’s views fall closer in line with Locke’s “faux” doctrine of inalienable rights.\(^3\) Like Locke, Smith sets limits on what rights can be alienated. He writes that because in voluntary slave contracts “the person and all he hath” is transferred to the master “from the moment the bargain begins,” such contracts are “illusory” (LJa iii.147). Smith believes, however, that people are still free to alienate property in their person in the form of labor, and that such an act is tantamount with one’s liberty. His adoption of this view is evident in his criticisms of feudal and mercantile policies. In his critique of the guild system, he employs a Lockean argument to claim that regulatory policies violated the right of workers to employ their labor as a form of “property” where they see fit. He writes:

> The property which every man has in his own labour, as it is the original foundation of all other property, so it is the most sacred and inviolable. The patrimony of a poor man lies in the strength and dexterity of his hands; and to hinder him from employing this strength and dexterity in what manner he thinks proper without injury to his neighbor, is a plain violation of this most sacred property. It is a manifest encroachment upon the just liberty both of the workman, and of those who might be disposed to employ him (WN I.X.C.12).

Smith’s reference to the “poor man,” and those “who might be disposed to employ him,” suggests that wage labor—not only self-employed labor—is a “sacred” and “inviolable” right. As further evidence of this, in his *Lectures of Jurisprudence*, Smith identifies “commercial right,” or the “the right one has to the free use of his person,” with a natural right of liberty (LJa, i.13).

It is clear then that Smith’s contractual view of wage labor departs from the republican identification of wage labor with conditions of dependency. On a contractual account, subjection to the authority of an employer is not viewed as a form of arbitrary government, insofar as the employment was voluntarily agreed to and the power of the employer is not absolute. Other commentators have noted Smith’s divergence from republicans on this point. For example, Liza Herzog notes how in claiming that human capital enables people without land to secure economic independence, Smith “turns civic humanism against itself” (2013, 70). Smith’s identification of “the strength and dexterity” of the worker’s hands as a form of “patrimony” is a clear example of this

\(^3\)Carole Pateman argues that, for this reason, Locke’s constitutional model “leads to democracy in the polity but not in the economy” (2002, 31–33).

\(^3\)In his lectures, Smith disagrees with Locke on other issues, including Locke’s account of the social contract as the basis of political authority and his labor theory of property (LJa v.113ff; LJa i.42–44).
transition to the identification of human capital with a new form of “property” (WN I.X.C.12).34 Smith’s departure from the agrarian republican view entails thus a reframing of the social conditions necessary for securing independence. Where for agrarian republicans, ownership of land or resources was understood as a necessary means to the self-governance of labor, for Smith, a person could be considered their own master even if the only thing they possessed was property in their person.

It is beyond the scope of this article to detail the shortcomings of Smith’s view here, but it is worth noting that these opposing interpretations of free labor were a source of conflict between labor republicans and laissez-faire republicans in the nineteenth century. Proponents of the latter outlook argued against the idea that wage labor was a form of servitude by claiming that wage laborers were independent producers in “control” of their labor. As Gourevitch puts it, a key difference was that for laissez-faire republicans control over labor did not mean “continuous control over one’s labor activity,” as it did for agrarian republicans, rather it meant selling one’s labor “on the terms of his own choosing” (2015, 53). Thus, “being sui juris meant having a legally constituted condition of self-ownership and being free to use that property as one saw fit” (Gourevitch, 2015, 65). Laissez-faire republicans employed this reasoning in their opposition to “labor republicans,” who claimed that wage labor was analogous to slavery (i.e., “wage slavery”) and defended collective ownership of the workplace (Gourevitch, 2015, 42–46).35 This discourse was most visible in state and federal United States Supreme Court decisions in the nineteenth century that ruled against protective labor regulation on the grounds that it violated the freedom of contract (Gourevitch 2015, 56–64).

Smith’s views then share a closer ideological basis with laissez-faire republicanism. Like laissez-faire republicans, Smith interprets independence in terms of control over the ability to alienate or sell one’s labor—not control over the governance of one’s laboring activity. While many commentators have emphasized Smith’s support for a liberal reward of labor and his criticism of employer “combinations,” Gourevitch notes that many laissez-faire republicans were equally supportive of labor (including unionization rights and higher pay).36 He comments that the latter expressed a “willingness to consider labor’s concerns,” but continued to reject the idea that “the commodification of the capacity to labor was inconsistent with the wage-laborer’s independence” (Gourevitch, 2015, 58). That Smith was supportive of labor then, is not directly indicative of his opposition to the commodification of labor as commentators like Anderson have suggested.

4. Conclusion: two republican ideals

In sum, while the value of nondependency is central to Smith’s defense of free markets, his ideal of a free society of equals is dramatically different from that of his republican contemporaries: a society where independence is possible in conditions of material inequality. This was precisely the outlook rejected by thinkers like Price, who, to recall, maintained that material equality (especially in land) was “essential to liberty.” For Price, establishing economic equality assured people the opportunity to be self-sufficient—to not be forced into the arbitrary governance of others for whom they labor. Smith departed from this view in conceiving wage laborers as self-sufficient since they were in free possession of their capacity to labor.

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34 For a contemporary (and critical) discussion of human capital as a primary source of wealth among the new meritocratic elite, see Markovits (2019).
35 Gourevitch details how the idea of collective ownership was an application of the agrarian republican ideal of independence to the industrial setting (2015, 70–72). The agrarian yeoman ideal has also been linked to the development of profit sharing in firms. See, for example, Blasi and Kruse (2017).
36 Smith’s comment that legislation in favor of workers is “always just and equitable” is often pointed to as evidence of his pro-labor outlook. It is worth noting that, in this example, Smith supports intervention on the grounds that it is needed to break up the monopolistic practice of employers combining to lower the price of labor. This is distinct from supporting intervention that raises or determines the price of labor on behalf of workers (WN I.X.C.61ff).
One possible concern with this interpretation is raised by Herzog, who warns against making anachronistic judgments when interpreting Smith’s economic proposals in light of our own. As she writes, “The erroneous perception of Smith that one often finds today has a lot to do with focusing on the instruments Smith suggests rather than the reasons for which he suggests them—and which might lead him to endorse very different instruments today” (Herzog 2013, 39). While this seems like a plausible suggestion, it overlooks how, during this period, there existed a different set of institutional proposals that were equally informed by a commitment to freedom (as nondependency). The proposals advanced by thinkers like Price continue, moreover, to hold contemporary relevance. As Gourevitch details, the agrarian republican ideal was employed by labor republicans in the nineteenth century to defend collective ownership of the workplace. Rejecting the laissez-faire interpretation of economic independence—and modifying the agrarian ideal to the industrial setting—they endorsed “equal, collective rule over their joint activity” (2015, 120). This idea comes closer, moreover, to the contemporary defense of economic democracy that Anderson supports.

The agrarian ideal also resembles contemporary discussions of justice related to economic inequality and environmental justice. Drawing from Rawls’s idea of property-owning democracy and the recent work of Thomas Piketty, Alan Thomas (2017) argues that inequalities in wealth or capital—as opposed to income—generate problems for equality that welfare states are not capable of amending. As Rawls points out, a capitalist welfare state cannot “[realize] all the main political values expressed by the two principles of justice” because “it permits very large inequalities in the ownership of real property (productive assets and natural resources) so that the control of the economy and much of political life rests in few hands” (2001, 135). His concern, in short, was that such an economy still permitted a “near monopoly of the means of production” (139). Globally, moreover, indigenous and agrarian communities struggle to defend communal and customary rights to the land from ongoing forms of privatization. These struggles mimic the injustices faced by small producers in the period of the enclosures. In sum, in emphasizing the importance of a more equal distribution of productive resources—other than human capital—these ideas have a closer affinity to the agrarian republican views that recognized the importance of self-reliance and material equality for economic freedom.

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