I attempt a reconstruction of Adam Smith’s view of human nature as explicated in *The Theory of Moral Sentiments* (TMS).¹ Smith’s view of human conduct is neither functionalist nor reductionist, but interactionist. The moral autonomy of the individual, conscience, is neither made a function of public approval nor reduced to self-contained impulses of altruism and egoism. Smith does not see human conduct as a blend of independently defined impulses. Rather, conduct is unified by the underpinning sentiment of sympathy.

This is not evident to students of Smith. Earlier scholars have found sympathy – the focus of TMS – to be incongruent with self-interest – the celebrated motive of conduct in *The Wealth of Nations* (WN).² They have erroneously identified sympathy with altruism, and self-interest with selfishness. Naturally, they concluded that TMS contradicts WN.

¹ I follow “The Glasgow Edition” (Smith, 1976b), which locates the paragraph under study. Unless otherwise noted, all Smith references are to TMS.

² The best representatives of this line are German scholars (Smith, 1976b, Introduction, p. 20). They argue that Smith, after his visit to France, became exposed to the idea of self-interest, the basis of WN. However, Oncken (1897) has amply shown that Smith
This apparent contradiction is known as the Adam Smith Problem – which I dub the “compatibility problem” in distinction from a second Adam Smith Problem. Recent scholarship, epitomized by The Glasgow Edition, has rejected the incompatibility thesis. While the new interpretation is an improvement, the price was steep: sympathy was presumed to be a criterion of approbation, not a motive for conduct. This amounts to throwing out the baby with the bathwater.

D. D. Raphael is the originator of this restricted view of sympathy: “Sympathy is the core of Smith’s explanation of moral judgment. The motive to behave is an entirely different matter” (Smith, 1976b, Introduction, pp. 21–22; cf. Raphael 1975; 1985, p. 29). Virtuous motives for conduct include beneficence and self-interest, but not sympathy; sympathy is identified only with judgment. This reading opens the door for a functionalist interpretation of Smith’s theory of conduct: sympathy, since it is a criterion of approbation, allows society to emphasize some motives over others. Diverse motives are consistent since they are a function of social need. Thus, the Adam Smith Problem is a pseudo one.

I agree that it is a pseudo problem, but not because Smith is a functionalist. To start with, Smith does not make the Kantian distinction between the criterion of judgment and motivation. For Smith, both are molded by sympathy. The term “sympathy” is used interchangeably throughout TMS as judgment and motivation. This broad reading jibes with Smith’s epistemology.

recognized the idea in TMS – prior to the trip. The same line asserts that the difference between TMS and WN does not entail that the two are inconsistent, since human nature is a blend of self-contained impulses (Buckle, 1857–61, vol. 2, pp. 432–37; cf. Oncken, 1897). Similarly, Anspach (1972) postulates that WN specializes in “auto-pleasure,” relation of humans with inanimate objects, while TMS specializes in “fellow-feeling pleasure,” the pleasure of watching the joy of others. This essay shows that this dualistic reconciliation is not founded on Smith’s text.

3. I dub the second problem the “orderliness problem,” since it is related to Smith’s apparent inconsistency in regard to the invisible hand. He, on the one hand, advocates spontaneous action and, on the other hand, champions regulations. The orderliness problem is outside the scope of this paper (see Khalil, n.d. (c)).


5. More accurately, Smith makes such a distinction in one place (VII.i.2–4). However, the distinction is made – as the succeeding paragraph shows – to classify other moral theories. If this distinction is germane to Smith’s moral theory, he would not have waited to the last part of TMS to draw it.

6. The view of sympathy as a comprehensive concept is substantiated by his famous essay, “The History of Astronomy.” In it, Smith evaluates a theory according to its ability to account for the widest range of phenomena without losing simplicity (Occam’s razor). Then, the mind attains tranquility and composure (Khalil, 1989; Smith, 1980, “Astronomy,” II.12).

Besides its relation to virtue, which is examined here, sympathy explains a variety of phenomena ranging from rank, vanity, religion, and patriotism to ideology (e.g., VII.iii.3.14, VII.iii.1.2). This indicates richness, not eclecticism – as has been charged (Marx, 1963, p. 151; Viner, 1928, p. 126).
More importantly, this broad reading of sympathy agrees with Smith's nonfunctionalist view of human conduct: judgments passed by an individual on the basis of sympathy turn around to motivate the individual. That is, motivation is not a function of public judgment. This process simultaneously observes individual autonomy and recognizes the necessity of society for judgment and motivation. Hence, I call it the interactionist approach.7

Smith's interactionist view explains substantive human conduct, such as self-interest and beneficence, as not merely a function of social approval. This point has not been clear, probably because substantive conduct has been confused with another type of conduct, nonsubstantive, which Smith regards properly as exclusively a function of social approval. Nonsubstantive conduct or judgment includes the intensity of expressing the emotions upon, for example, hearing of the death of a relative or winning a prize.

To rid the literature of the haze, the second part of this essay distinguishes between these two types of conduct or judgment. The third part deals with the nonsubstantive type of conduct, viz., the intensity of emotions that have no tangible repercussions. This is a necessary prelude to highlight the difference between it and the substantive type of conduct discussed in the fourth part. The fourth part demonstrates that Smith held an interactionist theory of human conduct – the central thesis of the article. In the fifth part, I conclude that Smith's interactionist theory is a real contribution to social psychology. Moreover, the excavated insights are pertinent to economic theory in two ways. First, Smith's account of interaction does not concur with the axiom of well-defined utility functions. Second, Smith's emphasis on the urge to act according to duty and what is right, which affords nonpecuniary satisfaction, questions the axiom that utility functions are unidimensional.

TWO TYPES OF JUDGMENT

Smith distinguishes between the judgments of the propriety of an action in relation to its cause and of the merit of an action in respect to its effect (I.i.3.5; cf. II.i.intro, VI.iii.6). Propriety judgment addresses, for example, whether the sorrow a passerby feels at the scene of an accident is proportionate to the pain of the injured person. Merit judgment involves, for example, whether the act undertaken by the passerby to relieve the pain of the injured is what the circumstances call for. Smith dedicates Part One of TMS to the approbation of propriety and Part Two to the approbation of merit.

7. In another article (Khalil, 1990), I separate two kinds of interaction. Organic interaction – which is under focus here – takes place when individuals relate to each other intentionally. Chaotic interaction occurs when persons link in a nonpurposeful way, as in highway traffic or the stock exchange.
Besides the two types of approbation, Smith makes a distinction between two kinds of virtue. The latter distinction makes better sense in light of his two types of approbation, propriety and merit. The two kinds of virtue were separated explicitly in the "Conclusion of the Sixth Part," added to the sixth and last edition of *TMS*. One kind, which I call "action-virtues," includes prudence, justice, and beneficence. The other type, which I call "inaction-virtue," includes only self-command. The difference between the two derives from the fact that action-virtues are primarily judged for their meritorious "agreeable effects" on people and secondarily judged for their propriety; while inaction-virtue is exclusively judged for its propriety:

The virtues of prudence, justice, and beneficence, have no tendency to produce any but the most agreeable effects. Regard to those, as it originally recommends them to the actor, so does it afterwards to the impartial spectator. . . . In our approbation of all those virtues, our sense of their agreeable effects, of their utility, either to the person who exercises them or to some other persons, joins with our sense of their propriety and constitutes always a considerable . . . part of that approbation.

But in our approbation of the virtues of self-command, complacency with their effects sometimes constitutes no part, and frequently but a small part, of that approbation. . . . The most heroic valour may be employed indifferently in the cause either of justice or injustice; and though it is no doubt much more loved and admired in the former case, it still appears a . . . respectable quality even in the latter. In that, and in all the other virtues of self-command, the splendid and dazzling quality seems always to be the . . . steadiness of the exertion. . . . The effects are too often but too little regarded. (VI.concl.6–7; cf. I.i.3.5–7)

That is, action-virtues are recommended for their beneficial effect, and this should be the main criterion in evaluating action. Public approval may enter as a secondary incentive. The decision by an agent, for example, to donate money to the local library or to enroll in a college should be undertaken mainly because of its welfare effect, and secondarily because of the approval of other people. In contrast, inaction-virtue is recommended for its propriety, and, hence, the approval of others is almost the sole criterion for its undertaking. The restraint of anger in proportion to its cause should be undertaken by an agent solely in light of the sentiments of spectators. As Smith puts it, action-virtues ("prudence, justice, and beneficence") are recommended by "two different" principles, viz., the merit of the action and the applause of spectators, while inaction-virtue ("self-command") is recommended by "one" principle, viz., the applause of spectators for its propriety:

But though the virtues of prudence, justice, and beneficence, may, upon different occasion, be recommended to us almost equally
by two different principles; those of self-command are, upon most occasions, principally . . . recommended to us by one; by the sense of propriety, by regard to the sentiments of the supposed impartial spectator. . . . Respect for what are . . . the sentiments of other people is the sole principle which . . . overawes all those . . . passions. (VI.concl.2)

Thus, the two kinds of virtue (action and inaction) are inextricably linked to the two types of judgment (merit and propriety). This substantiates my earlier point that Smith does not make the Kantian distinction between virtue and judgment as Raphael alleges. Given that virtue is derived from judgment, in the rest of this essay I explicate further the two types of judgment with the help of two scenarios. The approbation of propriety, which prompts inaction-virtue, has the organization of a two-station scenario. The judgment of merit, which invites action-virtues, has the organization of a three-station scenario. Within each scenario, I distinguish the spectator who is judging the conduct of someone else from the spectator who is judging his or her own conduct.

THE TWO-STATION SCENARIO

The spectator judges the propriety of the sentiments of another person. The spectator here is judging the extent of the reaction of the observed person in relation to a cause. This cause affects more directly the person observed than the spectator (I.i.4.1). Thus, the spectator needs to carry himself from his station into the station of the affected person. The cause of the excitement does not take a separate station since it does not affect the spectator directly. The minimal set-up is depicted in Scenario 1 (see Figure 1). The person affected (A) occupies the first station; spectator B inhabits the second station. The discontinuous line represents the judgment passed.

To judge propriety, the spectator has to identify himself with the observed. This "changing places" (I.i.1.3) involves genuine imagination: "By the imagination we place ourselves in his situation, we conceive ourselves enduring all the same torments, we enter as it were into his body, and become in some measure the same person with him" (I.i.1.2). Spectators empathize with the affected, but such feeling is "momentary": "The thought that they themselves are not really the sufferers, continually intrudes itself upon them; and though it does not hinder them

8. There is a case where the cause is equally distant from both, like "a picture, or a poem, or a system of philosophy" (I.i.4.5). Lindgren (1973, pp. 23–25) calls this case "aesthetic sympathy." In another article, I use this case as the scenario of Smith's theory of admiration, the basis of rank and status (Khalil, n.d. (b)).

9. Smith sees the switch of stations to arise from "secret consciousness" (I.i.4.7) or, in modern terms, subconsciousness. Another anticipation of modern psychology is his allusion to the sexual drive of children (Smith, 1980, "External Senses," p. 79).
from conceiving a passion somewhat analogous to what is felt by the sufferer, hinders them from conceiving anything that approaches to the same degree of violence” (I.i.4.7). Putting it differently, the sympathetic feeling of the impartial spectator is “weaker in degree” (I.i.1.2) than the original passion and that “compassion can never be exactly the same with original sorrow” (I.i.4.7). The attenuation of sentiments indicates that the spectator is impartial. That is, the spectator is neither obsessed with himself (self-centered) to the point of being unable to change stations, nor excessively identifying himself with the observed person to the point of reacting with a higher pitch than the person most affected. The excessively self-centered person and the excessively humane person lack impartiality (VI.iii.22).

Thus, the pitch of the sentiments of impartial spectators is usually lower than the original sentiments, and, hence, it might not rise if the original sentiments are in excess. For example, if a student weeps for receiving grade B in a course or becomes extremely exhilarated for winning a $2.00 coupon, the impartial spectator might feel the pitch is too high for him to participate in the excitement. The impartial spectator’s inability to participate indicates a judgment of impropriety. The ability to enter the station of the person observed and go along with the original sentiment signifies a judgment of propriety. Thus, the act of sympathy by an impartial spectator is a statement that the extent of the reaction of the person concerned is in proportion to the cause.

The spectator judges the propriety of the self. The spectator here is judging the extent of his own reaction in relation to a cause. The minimal organization of this situation is depicted in Scenario 2, the mirror-image of Scenario 1 (see Figure 2). The person observed (A) occupies the first station; spectator A₅, who is agent A, inhabits the second station. Spectator A₅ judges himself (the discontinuous line) through the “eyes” of spectators.

Why does the person concerned (A) examine the propriety of his action from the perspective of the second station? Smith’s reasoning is not systematic on this point. The reconstructed version is intricate. First of all, the person concerned seeks, like all normal people, “company” because it enlivens his own mirth (I.i.2.2). Second, the person concerned realizes that to receive approval of his sentiments by the company, the sentiments should be properly at a low pitch so that his companions could enter them approvingly. Third, the fellow-feeling of his companions could never match his own sentiments. So, if the person concerned
is interested in receiving approval, he must attenuate the pitch of his emotions:

To see the emotions of their [the spectators'] hearts, in every respect, be at time to his own, in the violent and disagreeable passions, constitutes his sole consolation. But he can only hope to obtain this by lowering his passion to that pitch, in which the spectators are capable of going along with him. He must flatten . . . the sharpness of its natural tone, in order to reduce it to harmony and concord with the emotions of those who are about him. (I.i.4.7)

From the second station, he begins "conceiving some degree of that coolness about his own fortune." While "their sympathy makes them look at it . . . with his eyes, so his sympathy makes him look at it . . . with theirs" (I.i.4.8). Consequently, the sentiments of the person concerned are becalmed (III.3.23), and more so if the spectators in the second station are strangers instead of friends (I.i.4.9; cf. III.1.5, III.3.23). Thus, the inaction-virtue of self-command arises from regarding one's conduct from the second station occupied by spectators, rather than from the abstruse syllogism of a quibbling dialectic (III.3.21). Smith recommends explicitly the virtue of self-command out of consideration of the sentiments of impartial spectators, rather than out of "prudential consideration of the bad consequences which might follow from their indulgence [of excessive emotion]" (VI. concl.3). Anger is better restrained by the consolation of spectators, than by the fear of reprisal.10

THE THREE-STATION SCENARIO

The spectator judges the merit of the action of another person. The spectator here is neither the agent nor the person acted upon. The minimal organization of this interaction is depicted in Scenario 3 (see Figure 3). Agent A, whose action needs to be assessed, occupies the first station; the affected person (B) inhabits the second station; spectator C resides in the third station.

10. Smith makes a distinction between self-command and resistance to instantaneous amusements that divert people from realizing their ability (VI.iii.3). The power to resist diversions does not arise from the consideration of the sentiments of others, but rather from the care to avoid injury "both to the individual and to the society" (VI.iii.21). I use this case as the scenario of Smith's theory of self-respect, the basis of genuine satisfaction (Khalil, n.d. (b)).
The action of agent A is represented by the solid line. The approval of the motive of agent A by spectator C, expressed by the discontinuous line, is compounded by the gratitude or resentment that person B feels, denoted by the dotted line. If spectator C is concerned solely with finding out whether the feelings of the person affected (B) are in proportion to the cause, one needs only two stations. But three stations are needed since the cause is also to be judged. This can be undertaken since the cause is within the prerogatives of agent A; otherwise, spectator C could not judge whether the agent’s action deserves praise or condemnation (II.iii.1.5).

The merit or demerit of the action of agent A should not be judged by the person affected (B), since such approbation “can mean nothing”; the person affected in the second station is “naturally” grateful of acts that are beneficial and resentful of acts that are hurtful to him (II.i.2.1). For example, if an agent unintentionally leaves the lights on, which helps a neighbor identify a burglar, the neighbor is naturally grateful. The impartial spectator from his third station, however, determines that the agent’s action is not meritorious. Likewise, an agent’s action would not be blameworthy if harm was not intended (II.i.e).

Smith concludes that the spectator’s heart must adopt the motive of the agent “before it can entirely sympathize with . . . the gratitude of the person who has been benefited by his action” (II.i.4.1); such gratitude compounds the spectator’s approval of the motive (II.i.5.2.).

After a discussion of the evaluation of motives of agents, Smith moves more concretely in section two of Part Two to discuss the determination of the course of action agents should undertake. The impartial spectator from his third station expects an agent to assist a close friend or relative, especially when certain circumstances are present. If agent A fails to undertake such beneficence, the agent “is the proper object of the highest disapprobation” (II.ii.1.3). It would defeat the purpose, however, if

11. Smith, however, recognizes that the principle of the exclusive dependency of merit on the intention of the heart is a maximal one. For example, injuries that arise from carelessness are justifiably punished. Spectators do take into consideration unintentional consequences that “almost always either enhance or diminish our sense of both [merit or demerit]” (II.iii.intro.3). This irregularity of sentiments on the part of spectators is part of nature’s wisdom to encourage circumspection (II.iii.3.2).
BEYOND SELF-INTEREST AND ALTRUISM

force is used to extort the virtue of beneficence – except for the laws in respect to the responsibilities of parents towards children (II.i.1.8; cf. III.3.13, VI.i.1.3). Friendship, charity, and generosity are virtues that “seem to be left in some measure to our own choice” (II.i.1.5); beneficence affects the happiness of other persons, society, and mankind in general (VI.i).

Likewise, the impartial spectator determines the course of action agents should, or are expected to, undertake in relation to their own welfare. This determination follows the same three-station scenario – the only difference is that the person acted upon is the agent himself. Thus, the impartial spectator from his third station expects an agent to assist himself, since he is most fit to do this by nature: “Every man is ... by nature, first and principally recommended to his own care; and as he is fitter to take care of himself than of any other person, it is fit and right that it should be so” (II.i.2.1; cf. VI.i.1-5, VI.i.1.1). The care and foresight in which an agent preserves and advances his interest, the steadiness of his industry and frugality command esteem from the impartial spectator (VI.i.14). The spectator, in the third station, calls the man who is acting according to a correct course, “prudent” (VI.i.5). Thus, the difference between the virtues of prudence and beneficence amounts to who is the beneficiary of action, the self or another person (VI.concl.1). While in this regard the virtue of justice is like beneficence, it is in other crucial respects very different.12

The spectator judges the merit of the action of the self. Disregarding spectators without, the agent acts as the impartial spectator of his own conduct – following the same principle he uses to judge others: “The principle by which we naturally either approve or disapprove of our own conduct, seems to be altogether the same with that by which we exercise the like judgments concerning the conduct of other people” (III.1.2). This is so because nature has endowed the agent with the quest to be “what he himself approves of other men” (III.2.7) and to “dread the very thought of resembling what he hates and despises in other

12. Justice is a precise “negative virtue,” which “only hinders us from hurting our neighbor” (II.i.1.9). In the race for wealth, an agent could “strain every nerve and every muscle”; but if he should injure competitors, “the indulgence of the spectators is entirely at an end” (II.i.2.1). In contrast, beneficence is a penumbral positive virtue, since “it cannot be extorted by force” (II.i.1.3; cf. II.i.intro.2, II.i.1.2, II.i.2.2, III.3.6, III.5.1, VI.i.1.22). Since it is voluntary, it solicits more praise than justice. Smith compares ancient moralists, who observed the difference, with the casuists of the middle ages, who confused them and treated beneficence as governed by precise rules of justice (VII.iv.1–37).

Justice may be the basis of Smith’s theory of natural price of goods. In WN, Smith provides a theory of price on the basis of exchanging stations between traders (Smith, 1976a, I.v.2; see Khalil, n.d. (a); Young, 1986; cf. Mead, 1934, p. 302; 1959, pp. 183, 185, 192).
people'' (III.2.9,32). Thus, when the agent examines the merit of his action, he adopts the view of the would-be spectator (VI.iii.53). So, it has the organization of a three-station scenario, a mirror image of Scenario 3. In Scenario 4, agent A, whose action needs to be assessed, occupies the first station; the person affected (B) inhabits the second station; spectator A^S, who is agent A, resides in the third station (see Figure 4).

The action of agent A, which affects the welfare of B, is represented by the sold line. The approval or disapproval of the motive of agent A by spectator A^S, represented by the discontinuous line, is compounded by the gratitude or resentment that the person affected (B) feels, expressed by the dotted line. Agent A does not adopt the view of actual spectators about his situation as was the case in the two-station scenario. But rather, agent A adopts the view of A^S, the imagined, would-be spectator: "We can never survey our own sentiments and motives . . . unless we remove ourselves, as it were, from our own natural station and endeavor to view them as at a certain distance from us. . . . We endeavor to examine our own conduct as we imagine any other fair and impartial spectator would examine it'' (III.1.2; emphasis added).

Smith postulates that society is a necessary condition for the operation of self-approbation. Society provides a "looking-glass" by which the agent scrutinizes his conduct (III.1.3–5). Smith's discussion about the centrality of society should not be misconstrued to mean that an agent internalizes the views of others. But rather, being in society, an agent learns the principle of being an impartial spectator vis-à-vis the action of others and, in turn, applies the "same" principle when he looks at his own conduct (III.1.2), as if he divides himself into two persons: "When I endeavor to examine my own conduct . . . it is evident that . . . I divide myself into two persons; and that I, the examiner and the judge, represent a different character from that other I, the person whose conduct is examined into and judged of'' (III.1.6).

In another place, Smith likens the distancing of the judge from the examined agent to the repositioning of the eyes to capture the objective relative sizes of two entities. One can assess which entity is bigger if one is at an equidistance from both objects (III.3.2). Likewise, before "we can make any proper comparison" of our interest versus the interest
of the person affected, we must take a "third" station: "We must view them [opposite interests] neither from our own place nor yet from his, but from the place and with the eyes of a third person, who has no particular connexion with either, and who judges with impartiality between us" (III.3.3; cf. III.3.7; emphasis added).

Smith asks rhetorically "what is it which prompts the generous, upon all occasions, and the mean upon many, to sacrifice their own interests to the greater interests of others?" What prompts sacrifice is neither a rational conception of what is good to society, as postulated by David Hume, nor a "moral sense" of soft humanity, as postulated by Francis Hutcheson. Rather, what urges sacrifice is "conscience, the inhabitant of the breast," that is, the spectator within, the resident of the third station. According to Smith, conscience "calls to us . . . that we are but one of the multitude," and "shows us the propriety of generosity and the deformity of injustice": "It is not the love of our neighbor, it is not the love of mankind, which . . . prompts us to the practice of those divine virtues, it is a stronger love, a more powerful affection, which generally takes place upon such occasion; the love of what is honourable and noble, of the grandeur, and dignity, and superiority of our characters" (III.3.4).

One could discern two levels at which self-approbation operates, which I recall at the end of this essay. At one moment, the spectator determines between his interest as an agent and the interest of the person affected. At another, deeper moment, the spectator, conscience, prompts the agent to act according to the course determined at the first moment.

Both moments are premised neither on altruistic sentiments nor on selfish motives. In fact, Smith ridicules the teachings of the "whining and melancholy moralists," who want to make altruism the governing principle of conduct. Such "extreme sympathy" is "absurd" and ultimately "useless" because the spectator within has to attend his needs as well (III.3.9.11; cf. VII.ii.3.1–14). Likewise, Smith criticizes the doctrines of Hobbes and Mandeville, who proclaim selfishness as the prime spring of human action. Such doctrines have erred in dismissing virtue as disguised selfishness; even "self-love may frequently be virtuous motive of action." They wrongly called the love of virtue vanity; even "the desire of acquiring esteem by what is really estimable, does not deserve that name" (VII.ii.4,8; cf. VII.ii.3.15, VII.ii.4.7–10, II.2.8,27).13

While egoistic theorists restrict the agent to the first station – assuming that humans can never rise above their interest – humanist

13. Smith observes that Mandeville (who emphasizes egoism) and Hutcheson (who accentuates humanism) have something in common. Mandeville views conduct that "falls short of the most ascetic abstinence . . . as gross luxury." He calls the natural desire for pleasure a "vicious passion" (VII.ii.4.11,12). Ironically, this position resembles Hutcheson's disparagement of pleasure
theorists identify the agent with the person affected in the second station – assuming that humans are essentially martyrs. Smith takes a different view; he identifies the agent with a third, imaginary station, which could examine the competing claims of the first and second stations impartially. This third station is not a mixture of the two other stations, but a distinct entity. Thus, for Smith, it is not accurate to state that human conduct is a blend of selfishness and altruism. Such a statement presumes that human conduct could be reduced to self-contained impulses, rather than stemming from a distinct third station. That is, man is not motivated by a self-defined blend of separate instincts. But rather prudence and beneficence are moments of sympathy that stem from the ability of the spectator in the third station to identify with the self in the first station and with others in the second station. The judge within hence can compare the interests of the two stations: "It is only by consulting this judge within, that we can ever see what relates to ourselves in its proper shape and dimensions; or that we can ever make any proper comparison between our own interests and those of other people" (III.3.1; cf. III.3.3.7).

The comparison between the two stations leads to the determination of the proper conduct, beneficence or prudence. While beneficence is almost exclusively explicated in TMS (VI.ii), prudence, within the rules of justice, is celebrated in TMS and WN. In TMS, Smith devotes great energy to the study of the exercise of prudent judgment, "the art of preserving and increasing what is called . . . external fortune," and the study of the means by which wealth is attained justly (VI.i.1-5). Neither prudence nor beneficence arises out of "cunning devices" and the wanting of undeserved praise, but rather from sincerity (VI.i.7-8). They also do not arise out of "the love of mankind" and the "want of courage," but rather from the "consciousness" of the spectator in the third station of what are the praiseworthy courses of action (I.iii.2.5).

Therefore, there is no contradiction in Smith's simultaneous recognition of the motives of self-interest and beneficence. That is, the Adam Smith Problem of Compatibility of TMS and WN is a pseudo one. I arrive at this resolution of the problem through the distinction between two- and three-station scenarios. In this way, I do not present Smith as a functionalist – as the resolution by the editors of The Glasgow Edition leads us to believe. That is, the diverse courses of action are compatible not because they are a function of social norms, but because they are called for by the spectator within.

If we follow what the impartial spectator within determines, "we . . . [would be] happy and contented" (III.2.3; cf. I.iii.2.5) and enjoy the security of "that sedate and deliberate virtue" (VI.concl.6). If we swerve, however, from the rules that "the great inmate of the breast, the great judge and arbiter of conduct" prescribes to us, "this inmate . . . , in the evening, calls us to an account for all those omissions and violations,
and his reproaches often make us blush inwardly both for our folly and inattention to our own happiness, and for our still greater indifference and inattention, perhaps, to that of other people" (VI.concl. 1; cf. III.2.1–15).

Smith recognizes in more than one place that normal people do not only try to satisfy the call of the impartial spectator within, but also desire the praise of impartial spectators without. In fact, the "two different principles," alluded to earlier, which underpin the action-virtues (VI.concl.2), are the satisfaction of the spectator within and the spectators without. I have neglected in my exposition of the action-virtues the desire to receive approval from spectators without because I would simply be recounting the two-station scenario discussed in respect to the inaction-virtue of self-command. Also, this disregard is excusable since the man within is more important: "He [the agent] looks back upon every part of it [conduct] with pleasure and approbation, and though mankind should never be acquainted with what he has done, he regards himself, not so much according to the light in which they actually regard him, as according to that in which they would regard him if they were better informed" (III.2.5; cf. VII.ii.2.12, III.2.7,9,14). 14

The three-station scenario hence should not be conflated with the two-station scenario. One should not view the desire of the man within for praiseworthiness to be derived from the love of praise from men without: "The love of praise-worthiness is by no means derived altogether from the love of praise. Those two principles though they resemble one another, though they are connected, and often blended with one other, are yet, in many respects, distinct and independent of one another" (III.2.2; cf. III.2.25-7, VII.ii.4.6–13; emphases added). The three- and two-station scenarios are distinct and independent since one cannot substitute for the other. No normal agent derives satisfaction from praise "when it cannot be considered as some sort of proof of praise-worthiness" (III.2.4) and, hence, usually feels uneasy with "demerited praise" (III.2.11,5,3). What leads to a contented life is mainly acting on the deep voice inside the breast, the hypothetical spectator in the third station.

In the current literature on Smith's moral theory, the distinction between the two types of judgment is overlooked. In fact, the two-station scenario is presented as the exclusive representative of Smith's theory of judgment. That is, the action-virtues are seen to be prompted exclusively by the desire to receive approval from actual spectators without. For example, Heilbroner's (1982) "primal man" is mainly prompted by the desire to receive recognition and approval, and hence through time is transformed into "socialized man." Thus, man could be prudent,

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14. To Smith, the worst situation is undeserved reproach, an innocent person convicted of a crime. Mortals, then, appeal to a higher tribunal, to "the all-seeing Judge of the World," God, to strengthen the resolve of their conscience, and attain justice (III.2.29,33–35).
beneficent, etc., contingent on societal norms. Likewise, Skinner states that “Smith’s argument was to demonstrate man’s disposition to, and fitness for, society” (Skinner, 1971, p. 21; cf. 1979, Ch. 3). Similarly, Macfie argues that “the economic man of the Wealth of Nations is himself assumed by Smith to be a servant of society as far as he is truly prudent, or acts appropriately” (Macfie, 1967, p. 75). According to Campbell, conscience has its “origins” in wanting praise; it “originates in the maturing individual’s attempts to ‘observe’ his own behavior for the purpose of anticipating how other people will react to it.” Campbell hence identifies Smith’s approach as “functionalist” (Campbell, 1975, pp. 72 and 81; cf. 1971, pp. 68–69; Morrow, 1973, pp. 12–38).

I have argued that Smith undertakes an exclusive functionalist approach only in regards to the propriety judgment of the two-station scenario, which prompts the inaction-virtue of self-command. In contrast, the action virtues are primarily urged by the person within the autonomous third station. This is in contradistinction to Raphael’s likening of Freud’s account of the super-ego “to Smith’s view of taking conscience to be a second self built up in the mind as a reflection of the attitudes of outside persons.” (Raphael, 1975, pp. 89, 97; Smith, 1976b, Introduction, pp. 15–16).

The autonomy of the third station, the spectator within, did not go totally unnoticed. Campbell (1971, p. 152) qualifies his interpretation of conscience as a mere image of the second station, spectators without, by presenting a development story. Raphael (1975, pp. 89–93) similarly suggests that conscience, while originally a reflection of public opinion, gains autonomy as the person matures. There is indeed textual support

15. More accurately, he also takes the functionalist approach when he describes the action-virtue of weak persons – vain or proud types (VI.iii.33–47). The two types exclusively attend the judgments of spectators without, though in different ways. The ostentation of the vain is less honest than the desire of the proud for respect. This discussion is remarkably reminiscent of Karen Horney’s (1970) explication of the neurotic personality.

Besides the references to weak individuals, TMS is interspersed with comments on strong characters, like the stoic philosophers, who respond exclusively to the call of the spectator within (cf. Waszek, 1984). Implicitly, the people who fall in between must be what I call “normal.” They act according to men without and primarily to the man within. The fact that a normal person is influenced by the opinion of a peer group does not mean that conscience can be reduced to a mere reflection of the opinion of the group.

Besides the classification of the weak, strong, and normal, Smith conspicuously ignores mean-spirited personality, which Berke (1988) has splendidly reviewed. Envy, spite, malevolence, malice, etc., cannot be the traits of the weak personality – at least as Smith has drawn it. This signifies that Smith has underestimated the force of evil in human affairs.

16. Raphael, though, notes that conscience in Smith’s theory, unlike Freud’s, does not engender neurosis, but contentment. This qualification, however, deprives the raison d’être for identifying Smith’s and Freud’s theories. For the same argument, Brissenden’s (1969) Freudian analogy fails.
for the development story (Smith, 1976b, pp. 111n, 129–30n). But the
development story still stigmatizes conscience as a reflection of public
opinion. This is why, I believe, Smith withdrew the texts that give
credence to the development story in the last and, hence, the most
relevant, edition of TMS. In fact, in one place Smith replaces the with-
drawn development thesis with a long discourse in which he asserts
that the man within the breast and the man without “are founded upon
principles which, though in some respects resembling and akin, are,
however, in reality different and distinct” (III.2.32, cf. III.2.2). The change
in the last edition, therefore, signifies Smith’s attempt to base the moral
autonomy of the individual on a secure foundation, which cannot be
tainted even with the suggestion that conscience is developmentally
derived from the authority of spectators without.

SOME CONCLUSIONS

William McDougall (1963) and Charles Cooley (1962, 1964), progenitors
of social psychology, emphasize the function of sympathetic interaction
(see also Kropotkin, 1902; Scheler, 1954; Shibutani, 1961). The work of
Smith was known to some of them (Kropotkin 1947, pp. 204, 208;
McDougall 1963, p. 220; Shibutani 1961, pp. 324, 334). McDougall con-
siders sympathy a primitive emotion that characterizes the life of animals
and children (McDougall, 1963, pp. 79–82, 391). Cooley’s theory is closer
to Smith’s since he views sympathy to be a “communion” of ideas of
“any mental state” (Cooley, 1964, p. 136; cf. 391–92). Cooley, though,
does not explore concrete experiences as Smith does; he views selves
as mental phenomena (e.g., Cooley, 1962, pp. 3, 11).

George Herbert Mead, the mentor of social psychology, comes clos-
est to Smith’s notion of sympathetic interaction (Blumer, 1962). Mead,
like Smith, views humans as emerging within social processes, and
hence society, ontologically speaking, furthers, rather than constrains,
the freedom of individuals. Social conduct for Mead, like Smith, is also
moral conduct; and hence social theory is a moral theory. Mead also
employs station switching: “We are in a possession of selves just insofar
as we can and do take the attitudes of others towards ourselves and
respond to those attitudes. We approve of ourselves and condemn our-
selves. We pat ourselves upon the back and in blind fury attack our-
selves. We assume the generalized attitude of the group, in the censor
that stands at the door of our . . . inner conversations” (Mead, 1959,
pp. 189–90). Mead asserts that taking the role of others may be concrete
at early stages of development. At later stages, however, the “assumed”

17. It is suggested convincingly that the mature Smith became more skeptical of public
opinion and less confident with liberalism. Thus, he emphasized in the last edition
of TMS the autonomy of conscience to show that humans can supersede frivolous
public norms (Smith, 1976b, Introduction, p. 16).
station is "abstract," and he calls it the "generalized other" or "me." "Me" turns out to be the "average" public opinion since the individual "is a self only insofar as he takes the attitude of another toward himself" (Mead, 1959, p. 192; cf. 1982, pp. 151–52, 81). For instance, beneficence involves taking "the attitude of the individual whom one is assisting" (Mead, 1982, p. 299). Thus, there is no role for a man within since there is no independent third station. Mead remedies the situation with his concept of the "I" (Mead, 1934, pp. 173–78). However, it falls short of Smith's concept of conscience since it is too erratic.

Mead treats all conduct as a function of men without – as in the two-station scenario. He ignores the three-station scenario, which Smith reserved for action-virtue. Thus, Mead's theory is the apotheosis of microfunctionalism (Karier, 1984; Mead, 1934, p. 7). Smith's idea of the third station affords individual autonomy without sacrificing interaction with others. That is why I call it an interactionist approach, as opposed to the functionalism of Mead.

Smith's view of human conduct is also a contribution to economic theory. The idea of a third station residing in the breast poses problems to conventional choice analysis in two senses. The first sense is in relation to the moment of determining whether one should pursue self-interest or the interest of others. The second sense is in respect to the moment of prompting the agent to act on what has been determined in the first moment.

In relation to the first sense, I have argued that Smith's theory of human action (notwithstanding propriety) is not a functionalist one. Neither, however, is it a reductionist one. Gary Becker's (1976) theory of human action is a last-ditch defense of methodological individualism, in light of the anomaly of altruistic behavior. Becker's accommodation of altruism in a standard-choice theory is inspired by the concept of "inclusive fitness" from sociobiology, which was devised also to deal with altruism. Altruism, to Becker, is the outcome of the inclusion of the affected person's utility as part of the agent's utility function. When the agent shares his income, it is in order to maximize his utility function. Hobbes explained altruism in that manner four centuries earlier. Smith rejected Hobbes' egoistic explanation (VII.iii.1.4). Smith stated that a normal person views the situation of the affected person from a third station, not from the first station as Hobbes does, nor, for that matter, from the second station as humanists do.

This not only casts doubt on reducing altruism to self-love as Becker does or to love-of-others as humanists do, but also calls into question the conventional view of action as self-contained choice. We learn from Smith that, for example, self-interested action is not normally prompted from the agent's station; but rather the agent looks at it from a distance – the third station – which takes into consideration the interests of others.
So, self-interested action is normally a moral choice. It is not prompted to maximize the satisfaction of the agent in the first station, but rather the spectator of the third station. Since action is a moral decision, one cannot talk of well-defined choices possessed by an individual independent of others. If action is prompted by the spectator in the third station, there would be no full determination of choices prior to interaction with others. This is why I call Smith’s approach interactionist, as opposed to conventional reductionism.

Smith’s theory poses a problem in a second sense, the prompting to act. A prudent or beneficent act, according to Smith, engenders satisfaction beyond material reward. Work, for example, provides the sedate self-esteem that goes beyond pecuniary income. Voting behavior must provide a similar satisfaction, doing one’s duty, since purely pecuniary considerations would not justify it.18

At the pecuniary level, the person in the third station is satisfied when he or she consumes a part and donates another part of his or her income. At a reflective level, there is another kind of satisfaction; it stems from fulfilling one’s duties toward the self or/and others. This kind of satisfaction engenders the feeling of self-respect. The need for self-respect is too ubiquitous to verify. If not satisfied, it could drive someone to depression and even suicide.

Humans seem to seek purposefully to do what is right and to satisfy their conscience. This presents a dichotomous self: one seeks utility for oneself and/or other people, and the other seeks self-respect. This has induced John S. Mill to disclaim unidimensional utilitarianism. More recently, others like Hirschman (1985), Etzioni (1986), and Frank (1988; see passim Elster, 1986) have raised objections to a unilevel conception of utility. Humans do not act only mechanically to satisfy a certain function, but also purposefully to reach a higher self-regard. The call of the man within the breast for self-respect is a nonpecuniary value that is difficult to incorporate as another fungible good in the standard utility function.

REFERENCES

18. Brennan and Lomasky (1985) use Smith’s theory of conduct in a similar way to explain voting behavior, which is anomalous to conventional analysis.


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