

## **MORAL AND MARKET ECONOMY IN ADAM SMITH** **MORALIDADE E ECONOMIA DE MERCADO EM ADAM SMITH**

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### **ABSTRACT:**

This article seeks to analyze in Adam Smith's writings a relationship between morality and market/capitalism. This can be seen in his works 'The Wealth of Nations' and 'Theory of Moral Sentiments'. Even though Smith considers these writings to be interdependent, they are both part of a larger philosophical project. In this way, questions arise such as: a) Do market and morale have any relationship?; b) Can we base a relationship between economics and morality on Smith? ; c) Can the individual who gets involved with the market be the bearer of a morality?; d) Can capitalism only be developed within a system of exploitation and consequently in an immoral way?; e) And to be prosperous we must abandon any trace of morality? However, the objective is to show that such questions are already present in Smith's thought, making it possible to see a foundation and understanding of the moral aspect in market/capitalism relations.

### **KEYWORDS:**

Morality, Market economy, Own interest, Sympathy.

### **RESUMO:**

Neste artigo buscamos analisar uma relação entre moralidade e mercado/capitalismo nos escritos de Adam Smith. Isso pode ser visto em suas obras 'A Riqueza das Nações' e 'Teoria dos Sentimentos Morais'. Embora Smith considere esses escritos interdependentes, ambos fazem parte de um projeto filosófico mais amplo. Desta forma, surgem questões como: a) Os mercados e a moralidade estão relacionados? b) Podemos basear uma relação entre economia e moralidade em Smith?; c) Um indivíduo envolvido com o mercado pode ser portador de moralidade?; d) O capitalismo só pode desenvolver-se dentro de um sistema de exploração e, conseqüentemente, através de meios imorais? e) E para sermos prósperos devemos abandonar qualquer traço de moralidade? Contudo, o objetivo é demonstrar que tais questões já estão presentes no pensamento de Smith, possibilitando ver uma base e compreensão do aspecto moral nas relações mercado/capitalismo.

### **PALAVRAS-CHAVE:**

Moralidade, Economia de mercado, Interesse próprio, Simpatia.

## 1. INTRODUCTION

A *Theory of Moral Sentiments* (1759) and *The Wealth of Nations* (1776) by Adam Smith (1723-1790) seem to suffer from an insoluble tension. *A Theory of Moral Sentiments* exalts human sympathy, while *The Wealth of Nations* exalts the consequences of self-interest, thus becoming known as “Smith’s Problem”. This article adopts an approach through textual analysis focusing on the concept of sympathy found in the *Theory of Moral Sentiments*, which aims to demonstrate the connection between morality and market/capitalism, and presenting the means for criticizing capitalism skeptics. However, the “Adam Smith problem” persists in a tension between his sympathy-based moral theory set out in the *Theory of Moral Sentiments*, and his self-interest-based economic theory set out in *The Wealth of Nations*. Sympathy and self-interest seem to be at odds. However, reading and analyzing Smith's economic issues accompanied by historical and situational examples, presents morality as a competent principle for evaluating economic and political actions.

Smith in *The Wealth of Nations* addresses both morality and the market economy, crediting morality as a fundamental element for the proper functioning of the market economy/capitalism. He argued that the individual pursuit of self-interest is not incompatible with morality, but on the contrary, can lead to beneficial results for society as a whole. Smith develops the idea of the sympathy system in which individuals have a natural ability to identify and sympathize with others. This moral capacity for sympathy leads us to consider the impact of our actions on others and to act in ways that promote general well-being. He believed that justice was a fundamental principle that should guide commercial transactions and economic relations, and society should establish fair rules and institutions that allow the free exchange of goods and services, preventing abuse and exploitation.

Smith is best known for his advocacy of free market economics where he advocated free interaction between buyers and sellers, guided by self-interest, which would lead to efficient allocation of resources and economic growth<sup>1</sup>. However, Smith was not an unqualified supporter of the free market, recognizing the need for regulations to prevent monopolistic practices, fraud and abuse. Viewed morality as an essential component for the proper functioning of the market economy, and advocated the

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<sup>1</sup> “Smith was strongly ambivalent about the effect the market actually has on society. The project in *The Wealth of Nations* is, of course, as the title suggests, to explain why some states become rich while others do not [...]Smith characterizes the prosperity of rich countries, where even the poorest can enjoy a greater share of the necessities and conveniences of life than is possible for any savage” (HEILBRONER, 1982, p. 432)

importance of sympathy, justice and equity, and the idea that individual self-interest, when balanced with morality and fair rules, could lead to a more prosperous and harmonious economic system.

## 2. MORAL ASPECTS

Smith is widely credited with being the father of liberal economics, and consequently credited with being the founder and systematizer of what we know today as the free market. In this respect, his project fits into the main current of the Scottish Enlightenment, laying the foundations of the capitalist system in *The Wealth of Nations*. This work is considered one of the most influential within the sphere of economics and consequently in the field of politics and ethics. Even though Smith is important and has established himself over the years as one of the foundations of economic thought, most people have not read him.

Thus, Smith's reputation today is often based on some sophistry, and through impressions obtained from third parties, and not as a result of a direct search for the author. Referring to Smith's books in addition to *The Wealth of Nations*, a book prior to this was published for the first time in (1759) with the title *Theory of Moral Sentiments*, Smith presented a basis for how moral feelings are formed in human beings. In his observation, morality is closely associated with the concept of sympathy, stating that all individuals present and carry within themselves: “a natural desire for mutual sympathy of feelings” (1999, p. 06).

In the *Theory of Moral Sentiments*, Smith was influenced by Francis Hutcheson (1694-1746), one of the greatest Protestant theorists in the philosophy of natural law, and friend and empiricist philosopher David Hume (1711-1776). In it, Smith rejects the theories of the intrinsic selfishness of the human being proffered by Thomas Hobbes (1588), Bernad Mandeville (1670-1733) and later Jean J. Rousseau (1712-1778). He also rejects the utilitarian view to explain the origins of moral rules, at the same time affirming that our notions of morals and aesthetics are based on our feelings: “Smith uncovers the role of solidarity in human transactions, through which we naturally judge human conduct. and the character of others and then, according to Smith, our own” (ROSS, 1999, p. 23). Thus, in the *Theory of Moral Sentiments*, Smith unveils the role of sympathy as a harmonizing principle of human passions.

However, Smith does not work with these concepts in *The Wealth of Nations*, what he finds in this work is a foundation of the concepts “self-interest<sup>2</sup>” and “self-love”. This opened doors, and allowed the emergence of critics accusing him of certain contradictions, since in the *Theory of Moral Sentiments*, Smith defends that the virtue of sympathy is a concept belonging to moral philosophy. This condition became problematic in Smith, and allowed the formulation of the idea that the economy was separate from human life, morality, and consequently from the market/capitalism. As already said, the economic system defended by Smith in *The Wealth of Nations* laid the foundations of capitalism<sup>3</sup>, and if the moral issue is not part of it, things for capitalism will soon get worse, being the target of acid criticism from socialist systems, collectivists, or other traditions based on such political and economic bias.

A great enigma in Smith's thought is how to reconcile the possibility of “moral judgment” with his insistence that man is fundamentally “self-interested.” A conundrum that 19th-century German scholars called the “Adam Smith Problem.” The expression “what is bad can get worse” seems to make sense in this issue. For, critics argue that there is an inability in Smith to unite morality with economics, and that Smith's system, so widespread, studied and respected by the liberal tradition, is largely, or completely, devoid of morality. With this, the discourse of social inequality, exploitation, and many others typical of social, collectivist, egalitarian policies find room for criticism of Smith's free market economic theory.

It is analyzed that Smith in his writings sought to realize this relationship between morality and market/capitalism, and this can be seen in his two books *The Wealth of Nations* and *Theory of Moral Sentiments*, and even though Smith considered both books interdependent, both do part of a broader philosophical project. In this way, questions arise such as: a) Do markets and morals have any relationship? b) Can we base a relationship between economics and morals on Smith? c) Can an individual who gets involved with the market be the bearer of morality? d) Can capitalism only be developed in a system of exploitation and consequently in an immoral way? e) And to be prosperous, we must abandon any trace of morality? Would morality be legitimized only in a collectivist system? Smith makes it clear that the government of the world is based on “self-interest”, a principle that is harshly criticized by the

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<sup>2</sup> Smith does not really believe that man is motivated solely by self-interest. This is naturally in line with the interpretation of *The Theory of Moral Sentiments* presented above. Rather than being characterized by self-interest, what characterizes us, according to Smith, is that we possess a certain perspective: a set of beliefs, attitudes, and values against which we stand against the world and other people. This perspective, we emphasize, we strive to align with the perspectives of others. In *The Theory of Moral Sentiments*, Smith also explicitly criticizes the view that suggests that, when we approve an action, we do so based on self-interest (FLEISCHACKER, 2004, p. 463-467).

<sup>3</sup>It is worth remembering that the concept of capitalism is not used by Adam Smith.

tradition of social bias. In the capitalist system the individual is better served by self-interest than by “altruism”. Smith makes this clear when he says:

It is not from the benevolence of the butcher, the brewer, or the baker that we expect our dinner, but from their care for their own interests. We address ourselves not to their humanity, but to their self-love of themselves, and we never speak to them of our own needs, but of their advantages (1999, p. 76).

This position was very well received by the capitalist class, bringing strong impacts and changes since the industrial revolution. But unfortunately there is a marginalization, consciously or not, of the moral dimension of Smith's work. The appropriate questions of criticism of Smith are part of the critics' discussion. However, such questions have been present in Smith's thinking since the 18th century. In this way, it is possible to see a foundation and understanding of the moral aspect in market/capitalism relations, which surprises many, as they believe there is no other way to classify Smith's economic system other than immoral.

The scope of contemporary research is full of investigations into morality in the history of economics, which shows that Smith has a very cautious foundation. In his two books, Smith presents arguments that have stood the test of time. It is known that Smith was wrong in some criteria, just like any other philosopher who, no matter how much he wanted, got everything right. Smith never referred to his ideas as capitalism, free enterprise, or laissez-faire, and we cannot reduce his thinking to the idea that government power should be largely minimized, and commercial freedom fully maximized. Those who dedicate themselves to knowledge and understanding of Smith's thought will conclude that he did not defend his economic system as an ultimate end as Ottesom stated:

The ultimate goal of political economy as Smith conceived it was to discover which public and social institutions would provide a prosperous society in which people would have the chance to live truly happy lives (2019, p. 23).

A commercial society with the right institutions is destined to enrich ordinary consumers and producers, and consequently enrich a nation. In this way, the market/capitalism is one of the ways to legitimize a political and economic system that defends freedom by giving individuals incentives to restrict their behavior. As Cropsey stated:

A market economy and the democratic prosperity it engenders are valuable because they promote the virtues—moderation, honesty, trustworthiness, discipline, and civility—on which liberal society depends. Smith defended capitalism because it makes freedom possible, not because it is freedom (2001, p. 32).

As already presented, Smith is considered the father and founder of modern liberal economics, but first and foremost he was a moral philosopher. In his thoughts, the objective <sup>4</sup>was to seek an understanding of the psychological structure of the human being with the purpose of obtaining knowledge of the human being's capacity for moral virtues and the objects suitable for public life, as stated by Otteson:

To do this, he would first have to understand human nature and psychology, and what constituted genuine human happiness: this was the primary objective of his first book *The Theory of Moral Sentiments*. In this way, the political economist would have to understand the human condition, the material and other restrictions faced by human beings: the primary objective of his second book *The Wealth of Nations*. Only then could he make positive recommendations about what policies would allow creatures like us, given our particular circumstances, to thrive and flourish. The political-economic recommendations made by Smith in *The Wealth of Nations* can be understood as a result of this two-phase investigative process. (2019, p. 23).

In a similar way to Otteson Smith says “[...] that his moral system is based on a sober look at how human beings actually behave, rather than on the idea of “a perfect being” that exists only in the imagination” (1999, p. 75). The foundation of Smith's view is that man is governed by self-concerned passions and appetites. The primary objectives of human beings are “[...] self-preservation and the

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<sup>4</sup> One of the issues that led Smith to delve deeper into this issue was the caution that his philosophy of the self-interested individual would not be associated with the problems of eighteenth-century moral philosophy, and the ideas of Bernard Mandeville, as Salmonn describes: “The great problem of moral philosophy in the 18th century was to reconcile the old ethics with the new economics” [...] “This problem revolved around the dilemma of finding a unifying principle of social life in a commercial society characterized by competition and the individual pursuit of self-interest. How were the atomic individuals of commercial society kept together? What would prevent a society characterized by economic individualism from fragmenting? How should virtue - a commitment to the priority of the body politic over the interests of the individual - be maintained in an individualistic social order? These were the questions that, in one way or another, preoccupied the social theorists of the Scottish Enlightenment” [...] “This problem emerged most clearly in Bernard Mandeville's *Fable of the Bees*. With the subtitle: “Private vices, public benefits”. In the fable *The Bernard Mandeville* argued that corruption, fraud and deceit were economically beneficial. In the fable, the elimination of these three vices leads to the collapse of commerce and industry. Just as theft makes work for a locksmith, luxury and extravagance stimulate many businesses. On this argument, Mandeville was proud to have demonstrated that neither the friendly qualities and kindly affections which are natural to man, nor the true virtues which he is capable of acquiring by reason and self-denial, are the foundation of society; but what we call Evil in this world, both moral and natural, is the great principle which makes us sociable creatures, the solid foundation, life, and support of all business and employment without exception (SALMONN, 1975, p. 40/41).

propagation of the species. Humanity is endowed with a desire for these ends, and an aversion for the opposite" (1999, p. 59). While man is distinguished from the lower animals in part by his ability to reason, our reason is a servant of our appetites. Thus, Smith identifies a great providence by the author of nature in leaving our moral judgments, a principle of fundamental importance for well-being, and for the conservation of society and human life, to the responsibility of our primary and immediate instincts, sympathy, instead of the losses and insecurity of the determinations of human reason:

Therefore, although man is naturally endowed with a desire for the well-being and conservation of society, the Author of nature did not trust reason to discover that a certain punitive action constitutes the proper means of achieving this end; he endowed him, however, with an immediate and instinctive approval of that application, which is more adequate to achieve it (SMITH, 1999, p. 94).

Although man's dominant concern is for his own interest, he also has a natural sympathy that inclines him to restrain his socially pernicious impulses. Smith writes: "However selfish a man may be supposed to be, there are evidently some principles in his nature which make him take an interest in the success of others, and consider their happiness necessary to himself, though he derives nothing from it but the pleasure of watch her" (1999, p. 06). Natural sympathy operates by forcing an individual to reflect on his behavior in light of the circumstances and experiences of his companions. Smith admits, however, that benevolence is unreliable: "Man has constant occasions for the help of his brothers, and it is in vain for him to expect this only from their benevolence" (1999, p.158).

Benevolence may be the only principle of action in divinity, but the same cannot be said of a creature as imperfect as man" (1999, p.162). Man can sympathize with others, but he cannot be persuaded by rational arguments that benevolence is more important than his own interests. In fact, that benevolence conflicts with man's individual needs is obvious in market dynamics. As Smith writes at the beginning of *The Wealth of Nations*: "We do not appeal to the benevolence of the butcher and the baker, but to their self-interest and advantage in achieving the ends of society" (2016, p. 58). Thus, Smith lowers the bar from the Christian conception of charity to a more practical and material understanding of benevolence.

Smith in his philosophy, as already mentioned, presents, above all, a moral philosophy. In this way, he turns all his attention to a problem of language communication, a problem that Smith classified as a problem of social harmony. Starting from the principle of the human structure of self-interest, how could human beings express their feelings, and give themselves to an experiential

relationship with each other? I.e; How could independent human beings, who in the pursuit of their self-interest, be able to unite with others to contribute to a social environment in which others are not violated in their humanity? From this problematic Smith states “[...] that without a system of justice, and a political order, human society must in a moment disintegrate into atoms” (1999, p. 84). But before considering justice and politically, Smith needed to establish the philosophical principles of social relations that make civil society possible; this is the basic aim of the work and *Theory of Moral Sentiments*. Indeed, it seems that having wrestled with the problem of language, Smith felt compelled to retreat to establish the psychosocial assumptions of language and communication. Speaking of the beauty of language, he states that:

Whenever the feeling of the speaker is expressed in a clean, clear, clear and intelligent manner, and the passion or affection which he is possessed of and intends, by sympathy, to communicate to his hearer, is clearly and intelligently achieved, then only the expression it has all the strength and beauty that language can give it (1999, p.84).

This passage suggests that a speaker's ability to communicate his feelings or thoughts depends on his sympathy with the audience. As the basis of all social

relations, a mutual bond of sympathy [which for Smith means feeling of solidarity] between an actor and spectator(s) of the action, a prerequisite for the community of feeling that makes social life possible. Social conversation requires individuals to build a network of common feelings to share, to some extent, each other's feelings. Smith believed that conversation and society bring pleasure to individuals. This pleasure “[...] arises from a certain correspondence of feelings and opinions of a certain harmony of minds that, like so many musical instruments, coincide and mark time with each other” (1999, p. 98). This harmony of minds is based on a structure of shared moral feelings and opinions. But what makes shared feelings and opinions possible? According to Smith, sympathy is the basis of social bonding. But, sympathy requires a specific mechanism to produce moral feelings; this mechanism Smith calls “the impartial spectator.”

Smith's moral theory is based on the view that it is the nature of human beings to desire harmony between their feelings and those of others. We must emphasize, that Smith is popularly conceived as the apostle of self-interest; as the driving force in human affairs, and that sympathy “cannot in any sense be considered a selfish principle” (1999, p. 95). This conception is a confrontation with the conceptions of selfishness represented by Hobbes and Mandeville, which reduces social feelings to selfish interest. Smith



admits that self-love is a great human passion. Thus, Smith's aim is to explore the feelings of sympathy: "However selfish a man may be supposed to be, there are some principles in his nature, which interest him in the fortunes of others, and make their happiness necessary to him, though he does not take nothing away from it, except the pleasure of seeing her" (1999, p. 06). Smith in the *Theory of Moral Sentiments* sought to present a theory of knowledge of how individuals develop moral feelings, presenting a process in which individuals develop moral feelings over time, through the path of interaction with other individuals:

When we approve some character or action, the feelings we experience, according to the system mentioned, derive from four sources, in some aspects different from each other. First, we sympathize with the agent's motives; second, we participate in the gratitude of those who benefit from their actions; thirdly, we observe that his conduct obeys the general rules by which these two sympathies generally act; and, lastly, if we consider such actions as part of a system of conduct that tends to promote the happiness of the individual or of society, then this usefulness may result in a certain beauty, not very different from that which we attribute to any well-engineered machine. (1999, p. 406).

### 3. ADAM SMITH PROBLEM

Touching on the dilemma called the "Adam Smith Problem" in relation between *The Wealth of Nations* and *Theory of Moral Sentiments*, on the issue of criticism of the two works being a contradiction, an approach within the theme of these texts on the perspective that the two books go together. Smith, in his explanation of morality, presented that morality standards go through a process that we can identify as spontaneous order. An example of spontaneous order presented by Smith is the economic market, described in *The Wealth of Nations*, where individuals within the economic market intend to "[...] improve their own condition" (2016, p. 225). However, these individuals do not have in mind a project whose main intentions are a collective change in the global order. Individuals only want to achieve their goals through cooperation with other individuals who wish to do so. These attempts are completely individualistic, and decentralized from collectivist objectives. It deals with a human condition that leads to the development of patterns and principles of behavior.

Smith's defense is that the morality of the individual, like the market, is constructed through a system of social interaction of language based on countless individual decisions, actions and interactions, but without any global plan and without a global designer, without centralizing individuals who advocate

social engineering. Each individual begins his life without any moral feeling, but with an instinctive desire for mutual sympathy of feelings, and for interactions with others. Likewise he wants to achieve mutual sympathy, leading to developing successful habits of behavior.

This contributes to the development of individuals and can become a shared system of moral judgment. A system that no individual designed, but to which all individuals contribute, recognize, and respect. Smith's pioneering account of human morality is that we are not given moral feelings; and we do not deduce or grasp them once and for all. Instead, we develop moral feelings over time. Therefore, the measure by which one man judges the actions of another is the measure by which he judges his own actions. As Smith makes clear in the passage below:

Every faculty in a man is the measure by which he judges the same faculty in another. I judge your vision by my vision, your ear by my ear, your reason by my reason, your resentment by my resentment, your love by my love. I do not have and cannot have any other way of judging them (1999, p. 18).

At an individual level we train our judgment and our feelings as a result of the interactions we have with others when we receive positive and negative judgments from other individuals. Therefore, we are encouraged to discover and follow rules of behavior that we come to see as moral because of our needs and desires, both of which can only be satisfied in cooperative relationships with others. The decentralized efforts of individuals produce involuntary ascension, without any of the individuals devising a shared system of morality. Some of these discovered and developed rules of morality are fundamental to the existence of society, and necessary for individual survival. It may even seem sacred as Smith described that the rules of “justice” and “benevolence” are pertinent in formulating an individual's system of morality. Therefore, they develop generosity, charity, helpful actions, friendship, loyalty, fundamental principles for convenience according to Smith:

The rules of justice can be compared to the rules of grammar; the rules of the other virtues, to the rules that critics establish for obtaining what is sublime and elegant in composition. These are precise, precise and indispensable. The others, are loose, vague, and indeterminate, and present to us rather a general idea of the perfection which we should aim at, than order us any certain and infallible directions for its acquisition (1999, p 126).

Otteson in his analysis of Smith's moral philosophy, economic policy uses the market concept of morality in its conclusion:

I use the term morality market deliberately because the features of Smith's model approximate a market order that is more familiar in other parts of human social life, such as economic markets. The system of human morality that Smith attempts to explain and explicate involves elements of exchange, competition, and cooperation in a context of decentralized struggle for resources that resembles de facto economic markets. If it turns out that similar elements can be found in Smith's *Wealth of Nations*, then this would mean that the model Smith develops in *Theory of Moral Sentiments* also applies to the *Wealth of Nations*. Far from being inconsistent, the two books would be united at a deep level. (2019, p.12).

Smith's politics, and his economics in favor of a holistic approach treats political and economic thought as part of the same fabric, but without making Smith's politics subservient to his economics, nor vice versa. According to Hébert, “Smith perceived a close and reciprocal relationship between trade and freedom, between economic progress and its moral and political consequences. This relationship is complex and fundamental and mutually reinforcing” (1996, p. 75). Smith recognizes that freedom is a fundamental element for the economy and development, and that economic development produces individual freedom, that is, economic development fosters and develops a policy of justice, individual personal freedom, while protecting private property rights, and other civil rights.

It is clear that Smith is knowledgeable about the issues addressed by the classics regarding the ideal of a good life and a good society. In his philosophical system, such ideals are visible, but with the principle of freedom on an equal footing with justice. To this junction, Smith added the element that according to him all men seek “wealth”. In his political conception, he did not determine a single form of government as correct, but presented fundamental elements for the development of the individual in the necessary conditions for producing wealth in a market society, whose bases are freedom and justice. At this point I echo Donald's words:

Smith's economics are rooted in his politics, rather than the other way around. Starting with the premise that the aim of politics is to establish a virtuous society, Smith argued more effectively than his predecessors that the relatively pursuit of freedom from wealth was a virtuous act – or, at least, a substitute for virtue. . In nematanthus; This is the unmistakable message of the Invisible Hand Doctrine, namely that more good is likely to come from allowing individuals to pursue their own interests than from imposing

from above a nebulous notion of “public interest” on “individual interests.” (1991, p. 29).

In the domain of social behavior, the doctrine of the invisible hand is a powerful practical message, because it promotes success in promoting the advancement of public wealth, and does not require the perfection of human nature. Smith's concept of natural morality, like his concept of nature, recognizes imperfection, takes man as he is: “self-interested”, “self-preserving human being”. Part of the acceptance of Smith's politics lies in what he called “the commercial system”, that is, individual freedom depends only on letting people be themselves. Thus, in Smith's conception of society in the Doctrine of the Invisible Hand, it is a fundamental condition for practical aspects, development of society, advancement of public wealth, and the individual.

Smith in the “doctrine of the invisible hand” and consequently in all his thinking through the concepts “nature” and “recognized imperfection”, does not aim to seek the perfection of human nature. As previously emphasized; Smith looks at the man as he is; an individual with “self-interest”, and in search of “self-preservation”. To elevate justice as the foundation of politics, and thus guarantee freedom, it was necessary for Smith to return to the concepts of duty and virtue. His disapproval of the moral and intellectual defects of commercial society can be considered as a sign of his thinking about the price that must be paid for human and civilized life as he understood it. Civilization and commerce he advocated were inseparably linked. This precept is an enigma in itself, but it is completely intelligible when we realize that by civilization Smith meant a free and secular society, attainable only by justice, and the free action of men within a market society.

#### 4.CONCLUSION

A Theory of Moral Sentiments presents the principle of sympathy as responsible for our moral judgments, and that the pleasure we obtain from mutual sympathy is responsible for controlling our passions, so that the impartial spectator can sympathize with them. Furthermore, concerns about our own happiness, our selfish affections are indispensable for the survival of men. Our benevolent affections, despite being morally superior, make the character of their bearer more elevated, and do not antagonize our self-love, as our happiness is only found when we receive solidarity from others. In The Wealth of Nations, Smith reveals the principles that govern the economic order, and how the pursuit of our own interests drives these mechanisms forward, falling to the “invisible hand of the market”.

However, it constitutes a more restricted study of economics and politics. Furthermore, its reading acquires its true brilliance when read in light of the theses contained.

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