AN INTRODUCTION TO MY ADAM SMITH WEBPAGE:

ADAM SMITH’S “JURISPRUDENCE”:
THE SURPRISING SCOPE AND DEPTH OF HIS
THEORIES OF LAW, GOVERNMENT, AND POLITICS

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1. Introduction

Economists hail Adam Smith as the founder of their discipline. But Smith was far more than an economist in the modern sense. Indeed, the notion of economics as a distinct field of study was, in his day, unknown.


Adam Smith did not think of himself as an economist, and so limited to familiar subject matter disciplinary boundaries. He was, instead, a moral philosopher, whose intellectual curiosity extended to the origins of the explanatory structure being applied. Why did the system of natural liberty generate maximal value? What were the ultimate sources? Why was trade mutually beneficial to traders?

Smith himself defined "philosophy [as] the science of the connecting principles of nature. Nature … seems to abound with events which appear solitary and incoherent… Philosophy, by representing the invisible chains which bind together all these disjointed objects, endeavours to introduce order into this chaos of jarring and discordant appearances" (Smith, History of Astronomy II.12:45-46).

In several respects, Smith efforts to launch the social sciences – the enlightenment’s "science of man" – parallel Isaac Newton’s efforts for the natural sciences. He studied a surprising range of topics, such as, the political-economics of development; how people sustain moral behavior; law and constitutions; the stability and evolution of language; the political-economics of empires; slavery; rhetoric; family structure; and organized religion.

When it comes to the role of government, modern economists, taking government as given, tend to reference Smith’s normative arguments about what government ought to do; for example, Smith's pithy and widely cited summary of

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2 Others make the same observation. For example, Morrow (1927:322) writes, “How absurd to think of the author of the Wealth of Nations as interested only in the wealth of nations! Adam Smith’s great work is more than a treatise on economics; it is a philosophical work, in that sense of the word "philosophy" which has almost passed out of usage in the last hundred years. It is a philosophical work in that it deals with broad problems of human welfare, and deals with them in a reasoned and unprejudiced manner.”

3 John Millar, a student and colleague of Smith's, commented in 1778, “The great Montesquieu pointed out the road. He was the Lord Bacon in this branch of philosophy. Dr. Smith is the Newton” (Millar, 1803:footnote *II.X:404). Error! Main Document Only.In reference to the Wealth of Nations, Skinner (1977: 77) observes that “Economics was conceived in the image of Newton so that Smith would have thoroughly appreciated the eighteenth century assessment of his work, as embodying: ‘an institute of the Principia of those laws of motion, by which the operations of the community are directed and regulated, and by which they should be examined’” (quoting a Letter from Governor Pownall to Adam Smith, 1776). See also Evensky (2005:5), Foley (1976: **), Herzog (2013:22-23), and Montes (**).
his views, “Little else is requisite to carry a state to the highest degree of opulence from the lowest barbarism, but peace, easy taxes, and a tolerable administration of justice; all the rest being brought about by the natural course of things” (quoted in Dugald Stewart 1794 IV.25:322). Along this same line, Smith appears to suggest in the *Wealth of Nations* Book V that the tasks that government ought to do are limited to three.

Smith’s approach to government goes well beyond such normative prescriptions to study the positive problem of how such prescriptive aspects of government may arise in practice. If peace, easy taxes and a tolerable administration of justice represent the market-supporting infrastructure necessary to sustain markets, just how does this infrastructure come about? Put another way, if this infrastructure is necessary for markets and hence economic development, then a complete explanation of the differential wealth of nations must explain why some countries develop this infrastructure while most do not. Economic accounts of Smith largely focus on the parts of the *Wealth of Nations* that most resemble modern economics. This focus, sometimes called “picking out the economics” (Parker 1995:122), ignores Smith’s “jurisprudence” – his studies of law, government, and political – in both the *Wealth of Nations* (for example, all of Book III and parts of Book V) and in his *Lectures on Jurisprudence*.

My work contends that Smith’s jurisprudence is as foundational to the social sciences as are his contributions to economics. I seek to demonstrate that one of the principal goals of Smith’s jurisprudence was an in-depth analysis of this political aspect of development. Moreover, Smith’s theories of jurisprudence were not independent of his economic theories. His ideas on the different components of social conflict and cooperation – that is, in the economy, polity, and society – fit together as one whole. In particular, Smith argued that market-supporting infrastructure had to evolve simultaneously with the growth of commerce and a competitive market economy. Markets without legal infrastructure work poorly at best and fail to develop in the absence of contract enforcement, secure property rights, and the division of labor. No so-called invisible hand has transformed modern sub-Saharan Africa or South Asia into rich, developed countries.

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4 As I raise in “The Economic Role of Political Institutions” (Weingast 1995) the “fundamental economic dilemma of political institutions.” The dilemma is that any state strong enough to protect property rights, enforce contracts, and provide justice is also strong enough to confiscate the property of its citizens. So what determines when the state does one or the other? Scholars in the new literature on the political-economics of development have begun to study the issues of market infrastructure, including: Acemoglu and Robinson (2006,2012), Besley and Persson (2009), Dixit (2004), Roland (2000), and Shleifer and Vishny (1998).

5 Smith did not use the term political science, preferring instead to use the label, the “science of legislation” (see Haakonssen 1981). But a great many of Smith’s forebears and contemporaries used this phrase; including Stewart (1794,**) of Smith. According to Page Smith (1978:40), “After Newton, the ‘mechanics’ or ‘science’ of politics came to be spoken of commonly as thought the right social and political arrangements of men must have their own laws of gravitation.” Many point to Montesquieu as having modernized political science, after Machiavelli. Smith’s great friend, David Hume (1741), also used this term; for example, in his essay, “That Politics May Be Reduced to a Science.”
Smith's jurisprudence emerges as a systematic approach to the political-economics of development; that is, to the wealth of nations. His analysis relies on history as its data. Smith covers most of the major events in Western Europe from the fall of the Roman Empire to the rise of the rich, commercial economy of his own day. As I argue, Smith's approach is as relevant today as in 1776. His theories of jurisprudence and development add to our understanding of these active fields.

In this research, I examine Smith's arguments about the institutional infrastructure necessary for markets—liberty, justice, political order and stability, strong property rights, contract enforcement, the absence of government predation—and its prominence in Smith's political-economics of development.  

I’ve made available a number of Discussion Drafts on this website. These drafts are neither stand-alone papers nor chapters of the integrated book I plan to complete. Their purpose is to explore in-depth a number of Smith's theoretical discussions from the surprisingly wide range of topics in jurisprudence. Smith scholars have studied many of these topics separately. But few have employed the tools of modern game theory and the economics of organizations to study Smith's jurisprudence (but see Anderson 1988 and Ekelund, Hébert, and Tollison 2006); and few have attempted to use these tools to put together the different pieces of Smith's jurisprudence to suggest the nature and value of Smith's coherent system.  

By their nature, the Discussion Drafts have limited ambition. My research remains incomplete. Nonetheless, in combination with the new tools, the extensive analysis of Smith's jurisprudence highlights Smith’s broad application to a range of topics, which are central to Smith’s larger vision of jurisprudence. I next describe some of these insights or “tentative generalizations.” My summaries of and links to the Discussion Drafts follow.

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7 See, for example, Haakonssen (1983,**), Kennedy (2005**) and Winch (1978**) on Smith's constitutional theory; Minowitz (1991**) and ** on Smith's theory of the medieval Church; Pack (1996) and *** on slavery; Aspromourgos (200*,ch5), Hont (2015**) Kennedy (2005**), Skinner (1975), and Winch (1978) Smith's explanation for the stability of the low-growth feudal era and how the towns escaped from this world.

8 This claim holds with respect to his positive approach to jurisprudence. Several scholars focus on Smith's normative approach to jurisprudence (see, e.g., Fleischacker 2004 and Griswold 1999). I take no stand on the question whether Smith sought a normative theory largely absent from his work on jurisprudence. Wholly apart from that question, my work demonstrates that Smith had extensive and deep positive theories of jurisprudence.
2. Tentative Generalizations

Taken together, the seven discussion drafts combine with my other research on Smith to suggest a number of tentative generalizations about Smith’s jurisprudence.

First, part of this work focuses on understanding Smith’s methodology. My paper with Glory Liu demonstrates how Smith approaches almost every problem from a single methodological view, with two components. (i) An equilibrium argument that explains the logic and stability of various political, economic, and social problems; and (ii) an explanation of change in the form of a comparative static argument that explains how an equilibrium shifts as circumstances change.9

Second, Smith places institutions at the heart of his analysis, and he consistently studied them with an eye to how they shape incentives. Smith applies this type of analysis to a wide range of circumstances: the British Empire, constitutional constraints on a monarch, the stability of feudalism, the medieval Church maintenance of its multi-century monopoly on religion, his constitutional theory, English universities, mercantilism, his famous “four-stages theory” (including family structure, government, law, and the “means of subsistence”), slavery, and violence. Smith not only demonstrates the incentive effects of institutions, but investigates why these institutions are stable at particular moments in time, and why they change over time.

Third, the Discussion Drafts demonstrate insights into the larger whole, Smith’s deep and sustained interest in the political-economics of development focuses not just on markets and economics, but also on the role of market infrastructure and the political foundations of markets.10 As Hont (2015**) observes, Smith’s purpose in his jurisprudence was to understand the rise of liberty and commerce in the ancient Mediterranean, its demise with the fall of Rome, and its rise again in late medieval and early modern Europe. Of necessity, Smith’s philosophical inquiry into jurisprudence integrated aspects of economics, history, law, and political science. Political-economic development involves three simultaneous revolutions: liberty, commerce, and security.

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9 This first point has an implication for the literature studying Smith’s rhetoric (e.g., Bevilaqua 1965, Brown 1994, Howell 1975, McKenna 2006). Smith’s nearly ubiquitous use of equilibrium and comparative statics methods gives us insights into Smith’s views on explanation and science more generally. Further, these methods are part of the way he structures so many of his discussions to persuade. As noted in many of the discussion drafts, it is easy to miss the theoretical structure underlying many of Smith’s historical discussions. At first, these discussions appear as narratives. Failing to see the underlying theoretical structure of Smith’s discussions, a great many economists fail to appreciate the lessons in Smith’s jurisprudence.

10 In discussing Smith’s system of the “three-dimensional structures of social, political, and economic institutions,” Evensky (2005:26,27) observes that sustainable change in any one dimension requires a complementary and consistent change in the other two.”
Fourth, Smith examines a wide range of what are now recognized as “commitment problems” – various incentive problems that plague people’s ability to carry out or enforce mutually beneficial agreements. Commitment problems often prevent mutually beneficial political and economic exchange, sustain inefficiency, and sometimes result in violence. Commitment problems arise at all levels of politics and economics. Without naming it, Smith draws on this concept to explain sustained inefficiencies in a wide variety of circumstances.

The inability to solve commitment problems frequently leads those in power to suppress policies that hold the potential to make everyone better off (as Acemoglu and Robinson 2006 demonstrate; see also North, Wallis, and Weingast 2009, chs 1-3 on the “natural state”). Smith relies on this form of argument in a wide variety of settings, including feudal lords who constantly fight one another and who promote forms of property rights that forego economic efficient modes of production; leaders of the medieval Church who keep the masses in a penurious position so as to maintain their dependence on the Church; slaveholders around the world who persist in supporting slavery despite its inefficiencies; and British and American leaders during the American Revolution fighting each other rather than bargaining to a peaceful solution to their differences.

Fifth, Smith demonstrated in many contexts that changing circumstances fostered new forms of political exchange and political accommodation. These exchanges and accommodations, in turn, led to changes both in the institutions of governance and in the economy. For example, the rise of the medieval Church after the fall of the Roman Empire led to a political accommodation between the secular and ecclesiastic lords in which each respected the other’s authority in their respective domain. New forms of political exchange arose in the Reformation. Similarly, at the fringes of the no-growth feudal equilibrium, the King and towns engineered a new type of political exchange allowing the towns to govern themselves, to build walls, and to construct other elements of security. In return for taxes to the king, these changes allowed the towns to capture large gains from exchange in long-distance trade.

Sixth, Smith’s political science is equally constitutive of a new discipline as is his economics. In particular, Smith studies the process of political-economics of development from the violent and virtually no-growth society in Western Europe following the demise of the Roman Empire to the rich and domestic peace of the commercial society of his day. Moreover, Smith emphasizes that this development improves the lot not just of the rich, but of the poor (Liu 2016, McLean 2006, Winch 1996, others).

Finally, I hope to demonstrate that Smith’s views on the political-economics of development provide important lessons for the process of development that advance the frontier in this field. Smith’s theories include explanations for the stability of institutions that preclude sustained development, such as violence and
government predation. Further, Smith's ideas also show how various areas in Western Europe escaped from the forces inhibiting development.

### 3. Overview of Discussion Drafts in Progress

As my project on Adam Smith is ongoing, it remains incomplete. My work on falls into two categories: complete Discussion Drafts available on this website; and those Discussion Drafts that I’ve begun but remain unfinished.

I rely on the same methodological perspective in each of the Discussion Drafts below. A series of simple games provide an equilibrium analysis focusing on aspect of why certain societies fail to develop or become rich. And, to varying degrees, each draft contains a theoretical explanation for why these growth-hindering equilibria break down. Put simply, Smith provides explanations for how and why particular countries develop in political, legal, and economic terms.

#### 3.1. Seven Discussion Drafts (Available on this Webpage) – Comments Welcome!

1. “Deriving ‘General Principles’ in Adam Smith: The Ubiquity of Equilibrium and Comparative Statics Analysis throughout His Works” (with Glory Liu)

This paper contributes to the debate over the unity in Smith’s corpus by emphasizing Smith’s pervasive methodological approach based on the assumption of self-interest, broadly conceived; for example, sometimes tempered with benevolence.

Specifically, Smith consistently relies on equilibrium arguments to explain why a given pattern of economic, political, or social interaction is stable, and comparative static arguments to explain how a stable pattern changes. Some scholars have appreciated equilibrium and comparative statics in Smith’s economics (see, for example, Blaug 1992:52; Ekelund and Hébert 2007:116-19; Milgate and Stimson 2009:78-87). Missing in the literature is the understanding that Smith approaches almost every topic in this way.

As we demonstrate, Smith relies on this logic in a wide range of settings: his explanation of morality and benevolence; the theory of languages; the political-economics of development; and his theories of law, politics, and government, such as the form of government, property rights, family structure, and virtue in his famous “four stages” theory of history.
Why are some countries rich and others poor? In other words, what accounts for the differences in the “wealth of nations?” Smith’s answer to this question is complex and has yet to be fully understood, despite the voluminous literature on his magnum opus, the Wealth of Nations.

On the economic side, Smith's answer is well-known and includes the division of labor, capital accumulation, and the absence regulations that encumber competition and markets. However, scholars have often overlooked the prevalence of violence in Smith’s work, which he argued represented an impediment to economic and political development.

This paper studies Smith's argument for the long-term stability and violence of the growth-inhibiting feudal society in medieval Europe, a type of violence trap: In the face of systematic violence, individuals have little incentive to be industrious, to save, or to invest. To do so is to stand out as a target for predation. Smith also explains how the towns escaped this violence trap, providing security and justice (including strong property rights and contract enforcement) as the infrastructure for commerce and long-distance trade. Indeed, Smith argued that development required three mutually reinforcing elements, liberty, commerce, and security. Besides highlighting the importance of overcoming the violence trap, this paper shows how new institutions arose that changed incentives facing various actors so that the towns could overcome the violence trap.

Adam Smith argued that, because it was the monopoly provider of religious services, the medieval Church represented a formidable impediment to economic development. How did the Church maintain its monopoly; and how did that monopoly break down in the Reformation? Further, how did the Church maintain its power given that the secular lords had a substantial comparative advantage in violence relative to the Church?

To address these and other questions, Smith developed a rich and systematic approach to the incentives, institutions, and competition surrounding the medieval Church. For example, in answer to the question about the relationship between the secular and ecclesiastic lords, Smith discusses a third group, the masses. According to Smith, the secular lords could not pacify the masses on

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11 This assertion closely parallels McCloskey’s (2016a,b) view that the ideas of liberty and equality account for the great enrichment that occurred after 1800. Liberty and commerce require rule of law, in turn requiring equality.
their own, while the Church could. The ability to influence the masses granted the Church a credible threat over the secular lords: were the lords to attempt to appropriate some of the Church’s revenue, assets, and control, the Church and the masses would turn against them. The secular and ecclesiastic elites therefore had incentives to cooperate to exploit the masses.

To maintain this equilibrium, the Church had to prevent economic growth. Growth would have granted the masses wealth, power, and independence, undermining the Church’s ability to mobilize the masses in times of threat from the secular lords. The Church’s policies suppressed liberty and equality.

As to the Reformation, Smith argued that the masses gradually became less dependent on the Church. Independence meant that the masses were less responsive to the Church’s influence. This change, in turn, diminished the Church’s credible threat over the secular lords, allowing the lords to force considerable concessions from the Church or to remove the Church altogether in favor of newly established sects.

(4) “Persistent Inefficiency: Adam Smith’s Theory of Slavery and its Abolition in Western Europe.”

Why does slavery persist throughout the world, especially when – according to Adam Smith – it is so inefficient? His analysis implies that the net product under freedom is 12 times larger than under slavery. Smith’s account therefore raises a puzzle: if elites – at once owning slaves and holding political control – could be much better off by ending slavery, why did they fail to free their slaves?

Smith proposes two very different answers to this puzzle, both in the same long paragraph. The first explanation is psychological. Smith asserts that people desire to dominate others, and slavery provided the opportunity for slaveholding elites to indulge this desire. The first explanation is by far the more commonly advanced in the literature (see, for example, Brown 2010, Griswold 1999,199-201; and Pack 1991,130-31;1996). Yet nowhere else does Smith use the assumption of domination. In Smith’s understanding of science, this explanation is therefore ad hoc.12

I favor instead Smith’s second and lesser known explanation. This argument, appearing on the page following the first explanation, involves commitment problems. Given that freeing the slaves would deprive slaveholders of their property, how would they be compensated were they to free their slaves? In principle, a long-term compensation scheme could solve this problem. But in

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12 In Lecture 24 of his Lectures on Rhetoric and Belles Lettres, Smith distinguishes between the approaches of Aristotle, who poses a new principle to explain each new phenomenon, and Newton, who poses a few principles to explain many phenomena. Smith calls the latter, science (LRBL II.132-34, Lecture 24: 145-46). By this definition, Smith’s psychological argument is unscientific.
the undeveloped societies Smith discusses (such as feudal Europe), long-term contracts were difficult to enforce. Indeed, I show that both parties to a compensation scheme had incentives to dishonor a long-term contract for compensated emancipation.

In the presence of commitment problems, slave masters could not be assured they would, in fact, be better off freeing their slaves. Slaveholders therefore rationally avoided emancipation. Smith, the so-called father of economics, provides here a political and legal argument for the failure of a more efficient system of labor markets to emerge.

(5) “The Medieval Expansion of Long-Distance Trade: Adam Smith on the Town’s Escape from the Violent and Low-Growth Feudal Equilibrium.”

This paper expands on an aspect of Discussion Draft (2) above, “From ‘The Lowest State of Poverty and Barbarism’ to the Opulent Commercial Society: Adam Smith’s Theory of Violence and the Political Economics of Development.”

Most people in medieval Europe lived at subsistence in a violent feudal world. Adam Smith explained both the long-term stability of the feudal system and how the towns escaped this violence trap through political exchange that fostered their ability to enter long-distance trade, significant division of labor, and economic growth and development. Violence is central to Smith’s approach to development, which Smith scholars have systematically under-appreciated. In the face of episodic violence, individuals had little incentives to be industrious, to save, or to invest. Smith argued that the medieval towns escaped the violence trap through trade expansion. In Smith’s view, development required three mutually reinforcing elements – law and liberty; commerce, including long-distance trade; and security from all forms of violence.

(6) “Adam Smith’s Constitutional Theory”

To become an engine of sustained economic growth, markets require various market-supporting infrastructure from the government, such as justice (including property rights and contract enforcement), security, public goods, and, importantly, liberty or the freedom from government predation. Adam Smith’s developed his constitutional theory as part of his unpublished Lectures on Jurisprudence. This theory answers a critical question. If liberty, commerce, and security provide the road to opulence, what incentives do political officials have to sustain them? Smith’s constitutional theory provides the answer.
Despite several excellent treatments (see, e.g., Evensky 2005, Haakonssen 1981; Hont 2015; Kennedy 2005, and Winch 1978), Smith's constitutional theory remains relatively unknown, especially outside of the literature on Smith. Smith's impressive contributions to this theory parallel those of Locke in his Second Treatise (1689), Montesquieu in his Spirit of the Law (1748), and Madison in the Federalist Papers (1787-88). In many ways, Smith's focus on institutions and incentives is superior to that of the other political theorists who are far more well-known for work on this topic. Topics include Smith’s theory of sovereignty, the separation of powers as a system of mutual monitors, the right of resistance, and, generally, the incentives facing political officials to adhere to the constitutional rules.

(7) “War, Trade, and Mercantilism: Reconciling Adam Smith’s Three Theories of the British Empire”

Adam Smith proposed two contradictory theories of the British Empire in the Wealth of Nations and hinted at a third. The first view holds that the empire was created for merchants eager to establish monopolies on the colonial trade. Smith concludes that “Great Britain derives nothing but loss” from the colonies. In the second view, Smith celebrates the European discovery of the new world, opening up vast increases in division of labor, specialization and exchange. The empire thus fostered the economic growth of both sides of the British Atlantic, net of the costs of monopoly. Smith’s third argument is the least developed. It holds that many mercantile restrictions had a direct purpose in improving Britain’s security given its more than century-long military conflict with France.

How do we reconcile the incompatibility of Smith’s three views of the British Empire? Smith provides too little guidance.

I argue that, to understand the British Empire, we must view it from the perspective of a long-term, multi-generational military rivalry with France. Many of the navigation regulations were designed to advantage Britain vis-a-vis France. Smith argues, for example, that the harm to France from prohibiting trade in military stores more than compensated for the loss in wealth due to the restrictions. I demonstrate the logic of these claims using tools from modern political science.

3.2. Work in Progress: Projected Papers

I have sketched a variety of additional papers on Smith's jurisprudence, some of which I hope to write and combine with the existing papers into a larger, integrated work. I plan to complete first drafts of the first two papers in the coming months. N.B., a “***” at the end of the title indicates that I’m highly likely to complete the paper.
• The Emergence of liberty in England: Or, the double origins of parliament – first, as an authoritarian leader's council; and, later, as the champion of liberty.* Smith defined liberty to include contractual freedom and enforcement, secure rights, and, generally, the absence of predatory behavior of government. As Smith explained in Book III of the Wealth of Nations, liberty in this sense was central to the political-economics of development. In his Lectures on Jurisprudence, Smith addressed three interrelated questions about Parliament and liberty: Why did Parliament emerge in the Middle Ages and how did it constrain the King? Why did Parliament become less of a constraint on the Tudors? And how did Parliament come to be the force for establishing liberty in the 17th century, particularly during and following the Glorious Revolution of 1688-89?

Smith proposed a theory to explain these three phases in the role of parliament since the early Middle Ages. The approach rests on two ideas; first, the vicissitudes of relative power of the king vs. the elite; and second, the changing nature of the elite. Changes in these two dimensions, Smith argues, result in changes in political outcomes, such as the power of Parliament. In the first phase, the noble’s powers were high, and Parliament – thought of as an authoritarian’s council – helped constrain the king. Over time, in part due to very bloody civil wars, the king gained power relative to the nobles. Finally, financial problems emerged at the end of Queen Elizabeth’s reign, plaguing the new Stuart kings and granting Parliament significant power relative to the king. Moreover, the power of Parliament and the constituency supporting liberty grew significantly over the 17th century, eventually forcing James II, the last Stuart, from the throne in the Glorious Revolution (1688). The new institutional changes during this revolution produce liberty, at least for the elite.

As with Smith’s arguments about the rise of towns promoting liberty (see paper (2) above), liberty emerged in England when a powerful group favored this goal and was willing to defend it. Parliament emerged as powerful in the 17th century. The steady growth of commerce implied the steady growth of the power of many members of Parliament and the people they represented.

• The surprising and largely unrecognized role of violence in Adam Smith’s theories and historical jurisprudence. Violence is a major component of Smith’s analysis of the feudal equilibrium; the role of the medieval Church; the four stages theory; slavery; the emergence of constitutional principles, including the right of resistance to constitutional transgressions; Great Britain and its North America colonies; and the
duties of government, including Smith's evaluation of the virtues and liabilities of a standing army.

- **Smith' theory of the state, including the growth of state-capacity.** Smith sought to understand not only the normative role of the state, but a positive understanding of how such an ideal state – or as nearly so as possible – emerged in practice. Specifically, he sought to understand how in practice a state emerged that provided market-supporting infrastructure of secure property rights, contract enforcement, justice, and security from violence.

- **Adam Smith, natural states, and the role of government.** A new interpretation of Smith's famous phrase, phrase about “peace, easy taxes, and justice.” England under the Tudors did not possess a developed, competitive market economy. As with most developing nations today, the state controlled a great many markets and limited competitive entry in many activities. Using the North, Wallis, and Weingast's (2009, chs 2-3) approach to the natural state, I show that Smith's statements on the role of government have a different interpretation than of the common approach to “market intervention” of neoclassical economics.

- **An analysis of Smith's famous “four stages theory” of political-economic development:** Smith's views about why various institutions in history remain stable in some periods and why they change in others, including:
  - The mode of economic production;
  - Family structure;
  - Government, law, and property rights.

- **An NPPT (normative and positive political theory) approach to justice in Smith's work.**

- **A second methodological paper.** In parallel with the methodological paper (listed above under Working Papers) on equilibrium and comparative statics, I have planned one that focuses on the dynamical elements in Smith's approach.

- An overall view of Smith's jurisprudence.*

### 4. Integration and Implications

As noted, Smith was not an economist, but a social scientist, a philosopher where philosophy in the eighteenth century meant building models of the world. In this sense, Isaac Newton was a philosopher of the natural sciences. Smith's
philosophy focused on social sciences. As part of the enlightenment, he sought a "science of man"; and he did not restrict his philosophy to economic behavior. Smith's treatment of such a wide and almost comprehensive range of topics allows us to say something systematic about his theories, including how the pieces of his economics relates to his jurisprudence and vice-versa.

I intend to show that Smith's work on jurisprudence, along with his two masterpieces, adds up to a comprehensive approach to studying social science; specifically, conflict and cooperation in the three realms of human behavior, economic, political, and social.

Smith's jurisprudence emerges as a systematic approach to the political-economics of development; that is, to an understanding of the differential wealth of nations. His analysis relies on history as its data. Smith covers most of the major events in Western Europe from the fall of the Roman Empire to the rise of the rich, commercial economy of his own day. As I argue, Smith's approach is as relevant today as in 1776. His theories of jurisprudence and development add to our understanding of these active fields.

Smith's approach also integrates both normative and positive aspects of his topics. On the normative side, Smith studies the components of a constitution necessary to support a thriving and opulent commercial society, including justice, liberty (property rights, contract enforcement, and freedom from government predation), and the policies necessary to sustain them. On the positive side, Smith explains how these normative features – utterly lacking in the aftermath of the fall of Rome – reemerged in a long series of steps over a millennium. In this account, Smith's approach emerges as normative-positive political theory.

References


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