

**Adam Smiths' Republican Moment:
Lessons for Today's Emancipatory Thought and Action***

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In the early hours of 2 September 1666, after almost a year and a half of arduous struggle against the Great Plague, a serious epidemic of bubonic plague that took the lives of over 70,000 people in a population numbering at the time around 450,000 inhabitants in London and its outskirts, a new catastrophe wrought further havoc on the people of London: fire. A conflagration of enormous proportions that began in the ovens of Thomas Farynor, baker to King Charles II, devastated four fifths of the city leaving behind it a huge number of homeless and ruined citizens. The fire, known thenceforth as the Great Fire rocked English society as much as, ninety years later, the Lisbon earthquake was going to shake up the conscience of a Europe that was determinedly set on its project of taking the measure of the world.

This was so much the case that, in his monumental work *The History of England* which appeared between 1754 and 1762, David Hume, an eminent member of the Scottish Historical School, of which Adam Ferguson, John Millar and Adam Smith were also members, movingly recorded the dramatic events as follows:

“While the war [against the Dutch] continued without any decisive success on either side, a calamity happened in London, which threw the people into great consternation. Fire, breaking out in a baker’s house near the bridge, spread itself on all sides with such rapidity, that no efforts could extinguish it, till it laid in ashes a considerable part of the city The inhabitants, without being able to provide effectually for their relief were reduced to be spectators of their own ruin; and were pursued from street to street by the flames, which unexpectedly gathered round them. Three days and nights did the fire advance; and it was only by the blowing up of houses, that it was at last extinguished” (*The History of England*, 6, LXIV, p. 396).

Hume, “by far the most illustrious philosopher and historian of the present age” (WN, V, I, g, 3)¹, adds:

“The causes of this calamity were evident. The narrow streets of London, the houses built entirely of wood, the dry season, and a violent east wind which blew” (ibid., p. 396).

A century later, with the instability arising from the dynastic and political regime changes that characterised the England of the latter half of the 17th and early 18th Century now settled; with the consolidation of a bicameral parliamentarianism in which the House of Commons, increasingly imbued with the Whig spirit, was acquiring increasingly centrality in the political life of London; with the conflicts arising from articulating the great colonial empires now straightened out; with the incorporation of Scotland under the sovereignty of the British crown more or less satisfactorily

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¹ Quotes from Adam Smith’s works have been taken from *The Glasgow Edition of the Works and Correspondence of Adam Smith* (7 Vols.), Indianapolis: Liberty Fund, 1982. I refer to *An Inquiry into the Nature and Causes of the Wealth of Nations* and *The Theory of Moral Sentiments* as “WN” and “TMS” respectively.

achieved; and with the first signs of what was to be the industrial revolution already present, Adam Smith refers indirectly to the Great Fire, and does so in terms that are of deep ethical and political significance. In justifying the need to control the issue of currency by the banks, a measure he himself prescribes, Smith introduces a brief digression in observing:

“To restrain private people, it may be said, from receiving in payment the promissory notes of a banker, for any sum whether great or small, when they themselves are willing to receive them, or to restrain a banker from issuing such notes, when all his neighbours are willing to accept of them, is a manifest violation of that natural liberty which it is the proper business of law not to infringe, but to support. Such regulations may, no doubt, be considered as in some respects a violation of natural liberty. But those exertions of the natural liberty of a few individuals, which might endanger the security of the whole society, are, and ought to be, restrained by the laws of all governments, of the most free as well as of the most despotic. The obligation of building party walls, in order to prevent the communication of fire, is a violation of natural liberty exactly of the same kind with the regulations of the banking trade which are here proposed” (WN, II, ii, 94).

What is Adam Smith suggesting here? First, he assumes, in keeping with the axiological and lexical setting of the world he inhabits², that freedom – like the fire, in fact – is something “natural”. It therefore makes sense to question any initiative, wherever it comes from, to control “natural” liberty, in this case that of the bankers to do as they will in their sector. Yet Smith hastens to follow up by affirming that if inappropriately concentrated in a few hands, this “natural liberty” can endanger the security of “the whole society”. Hence, it is necessary to intervene to ensure that such inappropriate concentrations of “natural liberty” do not occur³.

Adam Smith, then, takes a stand that clearly differs from that of the doctrinaire liberalism that would take shape in the first third of the 19th Century. He does not imagine that social life takes place in a neutral, politically aseptic space, free of power relations in which people freely and voluntarily enter into contracts. Indeed, the portrait Smith offers of social life shows a world riven by classes, one that is rigidly compartmentalised into strata and ranks, the distinctions between which have certain identifiable social and historical origins.⁴ Adam Smith believes – knows – then, that social life can harbour, that it does harbour asymmetries of power and it is necessary to do away with these if the aim is to preserve the good of society as a whole. In brief, liberty can be called “natural” but in no case is it pre-social or exogenous to social life. It is endogenous to it. Freedom is achieved and *politically* maintained in the bosom of social life, in the bosom of what could come to be an *effectively civil* society.

And how to turn “social life” into effective “civil society”⁵? What I want to suggest in this

² For a discussion of Adam Smith’s acceptance of natural law categories and styles of reasoning as the intellectual framework for his contributions, see Winch (2002).

³ Adam Smith is speaking, in sum, of the danger of great concentrations of economic and social *power*.

⁴ John Millar, disciple and friend of Adam Smith, devoted his most outstanding work, *The Origin of the Distinction of Ranks*, precisely to identifying and explaining the historical origin and evolution of distinctions between ranks pertaining to both bygone societies and those that shaped his own world (Millar, 1990).

⁵ It is worth noting here that such project of politically turning social life, which can be – and tends to be – an openly *barbarous* space, into effective *civil* society is also that of Adam Ferguson, who aims at building those economic and legal foundations for a “polite” life in common which, thanks to an appropriate undominated division of labour and tasks, respects everyone’s talents, wishes, and projects (Casassas, 2010). For a review of the long history of the concept of “civil society”, see Wagner (2006).

paper is that Adam Smith is part of an ethical-political tradition the project of which was – and still is – that of constructing *party walls* and *firewalls* – in other words, that of opening up the doors to relevant doses of State intervention – so that all can exercise such natural liberty, and not only “a few individuals”. In other words, this paper is an emancipatory reflection on the possible space of effective freedom within market societies – or, rather, within societies *with* markets – and seeks to offer some possible answers to the question on what kind of political-institutional action could be taken in modern societies in order to constitute markets that respect – and even promote – effective freedom. As it will be seen, Adam Smith has a lot to offer in this respect.

In order to show this, I will divide this paper into four sections. Section one analyses the roots and scope of such a political project aimed at building firewalls. In doing so, I shall present Adam Smith’s ethical-political analysis, which was very influential in the shaping of classical political economy, as part of the broad republican tradition. In section two, I shall reflect on the possibilities for a realization of republican freedom within markets. What I have elsewhere called “commercial republicanism” (Casassas, 2010) will be here analysed as a project for modern societies. In section three I shall assess the difficulties for commercial republicanism to unfold within capitalist societies, the structural features of which prevent individuals from enjoying the kind of undominated social relations republican tradition has always pleaded for. Finally, in section four I shall draw some conclusions on the epistemic and political meanings of commercial republicanism as an emancipatory project for contemporary societies⁶.

1. Adam Smith within the republican tradition

As it is well-known, the republican tradition revolves around the idea that individuals are free when they are not arbitrarily interfered by others and, besides, they live in a social and institutional scenario that guarantees, through *firewalls*, that there is not the mere possibility of being arbitrarily interfered by others. It is only when they enjoy such a social status guaranteeing relevant degrees of social invulnerability that they have the real capacity to deploy and nourish a rich myriad of forms of interdependence and creativity with other fellow citizens that is based on autonomous decisions by all parties.

In order to understand the aim of these concepts and definitions, though, there is need to contextualize them. A rigorous historical approach to republicanism aiming at understanding the goals and terms of concrete republican fights can very clearly show that there has always been an institutional condition for republican freedom to emerge: what permits the enjoyment of this freedom is property, property understood as socioeconomic or material independence. In effect, counting on a set of resources guaranteeing our existence gives us decisive bargaining power when it comes (not) to sign all kinds of contracts⁷, when it comes to reach – or refuse – all kinds of agreements.

As it can be inferred, such an analytical approach to the material conditions of freedom is very closely linked to a particular social ontology one can identify all along the republican tradition,

⁶ This introduction has been taken from the starting paragraphs of Casassas (2010).

⁷ In other words, counting on a set of resources guaranteeing our existence confers upon us decisive bargaining power to sign effective *contracts*, not mere *impositions*. As an etymological analysis of the term shows, “contract” is an agreement or treaty among peers, it is the act of instituting something together with others, that is, in free association and dialogue with others. It therefore seems reasonable to think that some social and economic conditions need to be settled in order to enable all parties to participate into effective contract-constitution processes - hence the republican emphasis on the relevance of socioeconomic independence to conceive of and help support personal and collective freedom. In sum, the idea of a *contract* presupposes the presence of a collectivity guided by politically instituted principles and practices of *togetherness*. I am indebted to Andreas Kalyvas for an informal conversation on the political implications of the etymological roots of the term “contract”.

namely: world is split into classes, and this is due to differential access to the property and enjoyment of external resources. And this leads to class struggle. To go no further, Adam Smith's analysis of wage fixation processes shows a brutal scenario where two opposed classes – that of proprietors of the means of production and that of dispossessed workers – very harshly fight in order to impose the terms and conditions of social interaction within the productive field. It is needless to say that the former count on a greater strength:

“In all such disputes the masters can hold out much longer. A landlord, a farmer, a master manufacturer, or merchant, though they did not employ a single workman, could generally live a year or two upon the stocks which they have already acquired. Many workman could not subsist a week, few could subsist a month, and scarce any a year without employment. In the long-run the workman may be as necessary to his master as his master is to him; but the necessity is not so immediate” (WN, I, viii, 12)⁸.

Two questions must be clarified here. Firstly, the republican tradition does not conceive socioeconomic independence as a path towards a world made of isolated atoms; rather, it sees it as the condition to make possible the emergence of an interdependence that is really wanted or wished by all parties, that is therefore erected in a way that respects everyone's autonomous decisions regarding everyone's life plans. As it can be seen, then, although it emphasizes the need for protection from alien control, republicanism is strongly linked to the prospects of an openly active, creative side of freedom: many life plans that are really “of our own” (Harrington, 1992) need to be explored and unfolded. Secondly, socioeconomic independence constitutes a necessary yet not sufficient condition for freedom. In effect, there exist many other factors such as cultural and symbolic patterns to be considered when it comes to assess the prospects of republican freedom within a certain society (Laborde, 2008). Having made these two clarifications, one can go back to the starting point: socioeconomic independence deriving from property or the enjoyment of a certain set of material resources has always been seen as the key component of republican freedom, for the former constitutes a crucially determining necessary condition for the latter⁹.

Once here, the question that republicans have asked and must ask themselves in every historical period is the following one: property of what? In the case of classical republicanism – that of Greece and Rome, but this can be extended to the political projects of American Founders such as Thomas Jefferson –, the guarantor of socioeconomic independence was mainly property of land, although property of slaves and cattle played an important role as well. In the case of “commercial republicanism” – that of Adam Smith, but this can be extended to many other forms of *Atlantic and Italian* republicanism and to all possible forms of contemporary commercial republicanism as well –, real estate is less important; what is crucial here is the property or control over installations and facilities, production equipment - in other words, means of production -, professional dexterities the command of which does not escape us, opportunities to access markets, opportunities to place our commodities – that is, the fruit of our labor – within those markets, etc. All these elements can make

⁸ It is worth noting here that this analysis has been reproduced in contemporary times by Jon Elster (1989, 2007) in his study of the determining factors of bargaining power of social agents that come into conflict in order to possess and/or control certain sets of finite resources.

⁹ A subsequent question republicans have always had to deal with – and decide on – is the level of civil and political inclusiveness of a society ruled by this notion of freedom and harboring this kind of institutional conditions for it. We talk about “democratic republicanism” when the political community universalizes the condition of material independence as a step towards a fully inclusive civil society. On the contrary, we talk about “antidemocratic or oligarchic republicanism” when the political community excludes from citizenry entire groups of individuals because of their sex, race, geographical origin, or inherited social position, which amounts to say that the political community deprives those groups of the access to those material resources that would crucially help make them independent (Bertomeu, 2005; Casassas, 2010; Casassas and Raventós, 2008).

us as independent as land ownership used to do in ancient and pre-modern societies.

Interestingly, the socialist tradition, which is heir to these republican ethical and political schemes (Domènech, 2004), kept the link between freedom and property or socioeconomic independence. This is what explains that its main goal were collective property – or control – over the means of production; for this meant politically guaranteeing the material basis for collective self-determination within the productive field. As suggested by authors as dissimilar as Edward Bernstein (1963) and Ronald Meek (1954, 1977), the political and normative backdrop of all these forms of thought and action was an emancipatory yearning linking 19th Century socialist values and projects back to 18th Century Scottish Enlightenment's political program and to 17th Century English revolutionary republicanism, with the Levellers and the Diggers at the left of the movement and, in its centre, moderate yet prominent figures like Harrington, who asserted that “the man that cannot live upon his own must be a servant; but that can live upon his own may be a freeman” (Harrington, 1992: 269). Two centuries later, Marx stressed, in his *Critique of the Gotha Programme*, that “the man who possesses no other property than his labor power must, in all conditions of society and culture, be the slave of other men who have made themselves the owners of the material conditions of labor. He can only work with their permission, hence live only with their permission” (Marx, 2008: 18). And this is why, according to Marx, there was need to build a “republican system for the association of free and equal producers”¹⁰. The republican resonances of Marx's analysis are unambiguous.

And what about today? This is what will be explored in section four. It will suffice to say at this point, to sum up, that Adam Smith's project of a commercial republicanism, like that of other members of the Scottish Enlightenment and that of the bulk of the political economy of Enlightenment (Hudson, 2009), had to do with the ideal of the “free producer”, a *producer* that is *free* either because he is the proprietor of the means of production or because he enjoys effective control over his productive activity and workplace, over the social and economic space where he operates¹¹. It is needless to say that such a free producer emerges only once political institutions have erected those *firewalls* that are required to avoid and remove social and economic privileges and to extend economic participation and inclusiveness. In effect, no free production is possible without appropriate State intervention.

Notice that this has nothing to do with the project of doctrinaire liberalism, which starts unfolding during the first third of 19th Century and which Napoleonic Civil Codes diffuse, with some variations, all over the world – a project that contemporary neoliberalism has fully inherited. It is a project that promotes an idea of freedom as mere equality before the law – the so-called “isonomic freedom” – and completely disregards the question of the material foundations of those lives that are lived within the world that is ruled by such law. Adam Smith has nothing to do with

¹⁰ Quoted by Domènech (2005: 95).

¹¹ Interestingly, classical republican Roman Civil Law distinguishes between the *locatio conductio opera* of the independent producer – a contract where individuals sell goods and services in exchange for a price – and the *locatio conductio operarum* of the wage-earning worker – a contract where individuals sell their labour force in exchange for a salary. This second kind of contract is not a contract between free citizens, because the wage-earning worker is being forced to (partially) alien his freedom, which (partially) makes of him an *alieni iuris*, as Cicero argues in his *Officiis* (Domènech, 2004; Bertomeu and Domènech, 2013). What about Smith's position with regard to these distinctions? It must be stressed here that Adam Smith aspires to a productive world where the dominant element is independent work – that is, *locatio conductio opera* – and where wage-earning work – *locatio conductio operarum* – is carried out under freedom-enhancing institutional conditions protecting workers from employers' arbitrariness. As it will be seen in section three, though, Smith is very pessimistic about the real prospects of European dispossessed wage-earning populations to effectively enjoy undominated working trajectories.

such a liberal – and subsequently neoliberal – intellectual and political scenario¹².

2. The realization of republican freedom within markets

But, is such a materially-based idea of personal freedom possible within market societies¹³? The answer Adam Smith offers us is cautious yet positive. However, before we get into more detailed analysis on this question, there is need to incorporate an important methodological starting point Adam Smith himself helps us understand, namely: “market”, in singular or abstract terms, does not exist; what do exist are different forms of markets that have been historically configured as a result of a political option – or a set of political options. In other words, all markets are the result of State intervention – at the very least, all markets are the result of the sedimentation of layers of legislation of a particular political orientation. It does not make sense to oppose “the State” to “the market”: there is no market that has not emerged as a result of a certain kind of State intervention.

A host of historical and empirical examples assist us to support this perspective. For instance, we well know that markets can be open by force: anthropologists like Polanyi (1944) and economic historians like Kenneth Pomeranz (2001) have shown that the “great divergence” between the Western World and Asian societies like China, India or Japan had to do, to an important extent, with global trade and political conjunctures that, even partially fortuitous, must also be explained as the result of the action of Western military force in order to shape global markets for the benefit of British and other Western colonial interests¹⁴. Other examples of the political genesis of markets can be found in areas such as the structure of property within those markets – to what extent (if to any) does a certain society or do groups of a society want to tolerate monopolies and oligopolies? –, work legislation – does a given society or do certain groups of a society wish to introduce minimum wages or other legal stipulations into the running of labor markets and therefore substantially alter the bargaining conditions of all involved parties? –, intellectual property rights – does a given society or do certain groups of a society aim at introducing patents and copyrights of a certain duration, and what kind of regulation of those patents and copyrights is to be

¹² It is an intellectual and political scenario that has been presented as a “liberal oligarchy” and as an “isonomic oligarchy” by Castoriadis (2010) and Domènech (2004) respectively. For a detailed analysis of some reasons to relate Adam Smith to the broad republican tradition, see Winch (2002).

¹³ I understand “markets” as those social institutions through which individuals and groups exchange resources of many sorts in a decentralized way, which normally – yet not necessarily – implies the use of money. Note that this definition of markets is compatible with both capitalist and non-capitalist societies. Also, this definition does not blur the fact that all societies actually *decide* which resources can or should be the object of market exchange – and under which terms – and which cannot or should not.

¹⁴ In the same vein, Parthasarathi’s work helps us understand why and how State intervention played a crucial role in the articulation of the economic spaces – markets, economic sectors, entire economies, development patterns – that sustained industrial revolution and, in particular, British 19th and 20th Century capitalism (Parthasarathi, 2011). Also, one can fully grasp the importance of State intervention for the development of any form of market society when one realizes that neo-liberal Reagan’s economic project implied massive doses of public expenditure and State control and action.

implemented¹⁵? –, and so on¹⁶.

As institutionalist economists will do more than one century later, Adam Smith understood the running of markets in this way¹⁷. In effect, according to Smith, markets are not metaphysical entities, but human creations that emanate from a specific political-institutional option or set of options; an option or set of options which, in turn, is the outcome of concrete forms of class struggle. And this is the very reason why his project, like that of part of classical political economy and that of institutionalist economics, is that of firewalls: it is mandatory that political institutions constitute those markets that can be compatible with – and even causative of – republican freedom; and this means extending within markets those social relations that are free of bonds of dependence and forms of domination, and doing so by guaranteeing everyone the property or the control over a certain set of productive resources.

Hence Adam Smith's justification of State intervention. Adam Smith's demand of public policy such as infrastructures, educational programs or taxation schemes and of any other measure or set of measures a society might want to implement¹⁸ is always aimed at dissolving asymmetries of power and bonds of dependence, both those coming from old times – feudal, guild-related and mercantile hierarchies, authorities, exclusions and privileges (Kalyvas and Katznelson, 2008; Winch, 2002) – and those characteristic of modern times: new privileged power positions of certain proprietors or employers within new markets.

In sum, one can perfectly say that Adam Smith is one of the greatest advocates of free trade. In effect, his political project is one of profound ethical and political roots and aspirations that might be called “free trade republicanism” or “commercial republicanism”: modern societies – Smith said – should be able to make good use of the advantages of decentralized exchanges of goods and services of many sorts, for decentralized exchanges permit living a productive life in an autonomous non-dominated way, that is, without having to ask arbitrary authorities the permission to do every little thing you might want to do in the field of giving and receiving reciprocally. But being an advocate of “free trade republicanism” or “commercial republicanism” does not mean being in favor of *laissez-faire*. On the contrary: freedom in the markets is to be politically constituted through radical – yet not necessarily massive – State intervention, a State intervention – a set of *firewalls* – that is *radical* because it goes to the *root* of the problem, namely: power relations, which must be dismantled by guaranteeing material existence and therefore a position of socioeconomic independence to everyone.

¹⁵ For instance, Joseph Stiglitz (1999) has argued that the State could subsidize patents so that their presence in our economies does not imply an increase of the prices consumers have to pay. The relevant question here is the following: how do social and economic actors envisage such a proposal and what kind of State intervention they manage to obtain in order to promote or reject it?

¹⁶ In the words of Michael Hoexter, “most of what is recognizable as a modern economy has benefited from collaboration between government actors and private actors [...]. The early American government helped build an industrial base via the ‘American System’ of protective tariffs against European competition. The early development of infrastructure was often financed by government, such as the Erie Canal built by the State of New York. The economic ‘miracles’ of almost all current industrial powers, including the rapidly developing nations of East Asia and Latin America, have been engineered by for the most part adequately-designed industrial policies” (Hoexter, 2012).

¹⁷ For an analysis of the proximity of Adam Smith's *institutional* analysis and that of 19th and 20th Century *institutionalist* economics, see Sobel (1983).

¹⁸ In the prologue to the third edition of the *Wealth of Nations*, Smith makes crystal clear that any policy recommendation will always be socially, spatially and historically contingent – there are and should not be closed policy programs of any trans-historical validity, although the goal of public policy will always be the same, namely: the construction of an economic sphere that is free from any form of domination or systemic subjugation.

What about then that famous¹⁹ idea of an “invisible hand”? What Adam Smith tells us is that decentralized exchanges – that is, exchanges that take place into markets –, when guided by our own “common sense” regarding the best ways to improve our living conditions, *can* lead us to social and civilizatory stages of greater liberty, wellbeing and happiness; but for this to happen, it is mandatory that political institutions make sure that those decentralized exchanges are really free, which requires that political institutions radically intervene to dissolve those bonds of dependence and power relations that are deeply rooted on class privileges, on class relations. Therefore, the invisible hand metaphor is not only compatible with the republican political perspective, but its proper functioning requires taking from republican politics its claim for institutional action – firewalls – aimed at removing all those asymmetries of power that permeate social life.

That was Adam Smith's project, as it was that of many of those who reflected on the space for effective freedom within manufacture and commerce at the dawn of the “great transformation” (Polanyi, 1944), that is, before the full triumph of industrial capitalism; an industrial capitalism which Adam Smith would have mercilessly censored and the first expressions of which he did severely censor. Let's see in which terms, and let's reflect on how to recover and renovate the spirit of such a critique.

3. Why modern times obstruct commercial republicanism? Adam Smith and the philosophical-political critique of capitalism

In this section I shall dwell on four main features of capitalism that make it incompatible with the kind of commercial republicanism I am suggesting to recover and uphold. Instead of giving a closed definition of capitalism, as in terms of necessary and sufficient conditions for it to emerge, I will present it as what it really has been: a historically-indexed phenomenon entailing an extension and global connection of productive networks and markets that can be explained as the result of historical processes of material dispossession of the great majority leading to the appearance of a vast disciplined working class. Let us see, then, how this process took place and in which sense it threatened and threatens – and finally prevents – the deployment of commercial republicanism. As it has been said, the line of argument follows four linked steps.

(1) First, capitalism is the result of the “so-called primitive accumulation” – to put it in the terms used by Marx to entitle chapter XXIV of *The Capital*²⁰. In effect, Smith reckons that modern societies, which are to a large degree the result of highly inequitable processes of enclosures of the commons, have witnessed an unequal appropriation of external resources – of means of production. This phenomenon has implied the dispossession of the vast majority of the population, for private appropriation of external resources did not leave “still enough and as good” to others, as John Locke's proviso had established (Locke, 1982)²¹. It is needless to say that when republican freedom is understood as materially-based personal independence, generalized dispossession means the rupture of any elementary realistic civilizatory project. Under these conditions, then, the progress of republican freedom becomes impossible, for freedom requires individuals' property or control over material resources for them to enjoy relevant degrees of bargaining power when it comes (not) to sign all kind of contracts. Both Marx in the 19th Century and Smith in the 18th, as Polanyi (1944) will do in the 20th, very clearly explain – and in the same vein – how capitalist markets – starting

¹⁹ It is a “famous” metaphor despite of the fact that Smith mentions it only once in his TMS and only once as well in the WN. Undoubtedly, 19th and 20th Century liberal hermeneutics and apology for capitalism managed to distort and turn such a marginal metaphor into a true political flag for liberal and neoliberal scientific and political programs.

²⁰ As noted by Meek (1972), Marxian social theory has in the works of the Scottish Historiographical School a very clear and openly admitted precursor and influence.

²¹ See Locke's *Second Treatise of Government*, V, 33.

with capitalist labor markets – become unavoidable because of those great processes of dispossession of the vast majority²².

In this point, the works of scholars like Kenneth Pomeranz (2001) and Prasanna Parthasarathi (2011), together with those of Marxist historians like Robert P. Brenner (Brenner and Isett, 2002) and Ellen Meiksins Wood (2002) that have complemented the analysis of Marx himself and that of Karl Polanyi, help us understand why 17th and 18th Century “industrious revolutions” (de Vries, 2008), which already entailed forms of household economy, putting-out systems and active commercial networks, led Western Europe to the “industrial revolution” and did not *industrialize* economically active East-Asian societies, where such “industrious revolutions” were also taking place²³. In effect, full material dispossession of the bulk of European popular classes played a crucial role when it came to create and discipline a modern mass working population that was ready – or, rather, *forced* – to become industrial proletariat – that is, an entire army of wage-earning workers – at capitalists’ disposal. For the ownership or control over a certain set of resources – for instance, the *common land* of a manor – constitutes a *backyard* for autonomous social and economic self-management, as it guarantees that those who have access to it will enjoy relevant degrees of bargaining power when it comes to interact with others as relatively *independent* agents. But the enclosure of open fields meant the generalization of personal and collective dispossession, not because it entailed private property – as it is explained by Parthasarathi (2011), East-Asian societies harboured forms of private property as well –, but because it involved the introduction of *exclusive* private property over the means of production – hence the general loss of freedom and autonomy. In sum, capitalist accumulation processes took and still take place through the dispossession of the vast majority – hence David Harvey’s analysis of old and new forms of “accumulation by dispossession” (Harvey, 2003)²⁴.

(2) Second, all these historical processes lead to the imposition of wage-earning work, which therefore becomes compulsory, inevitable. And when there is no “exit door”, to put it in Hirschman’s terms (Hirschman, 1970), any social relation becomes a source of unfreedom, because individuals must fully accept the terms and conditions others wish to impose. And precisely because of dispossession, wage-earning work constitutes the only way to subsist for the vast majority of the population. There is no “exit option” from such a form of living, and this of course poses important normative concerns. In effect, as Stuart White clearly points out in his republican critique of capitalism, unequal wealth distribution has a strong impact on personal liberty, as it leads to power asymmetries within (labor) markets and to subservient social relations: because of a hugely dissimilar access to the ownership of material resources, proprietors enjoy a higher bargaining position²⁵ and can therefore exercise an arbitrary power over workers, who live at their mercy. It is needless to say that this is a problem in itself for the republican ideal because of its incompatibility

²² For an extremely telling analysis of all these processes from a gender perspective, see Federici (2004).

²³ See, for instance, Jack Goody’s analysis: “Ceramics were not the only product that was subject to large-scale techniques [in Asia]. In India as in China textiles were produced predominantly on a domestic basis, often organized by merchants by means of putting-out systems and cottage industries similar to proto-industrial Europe. But there were also large factory-type institutions. In China a more impressive example was the important paper industry” (Goody, 2006: 304).

²⁴ It is interesting to note here that authors writing before 1830 never thought that the world was making its way towards what had to be called “industrial revolution”, but towards something closer to expanding “industrious revolutions” resting on networks of relatively independent free producers. In effect, the idea of an “industrial world” is a 19th and 20th Century intellectual category (Parthasarathi, 2011).

²⁵ For an analysis of the link between inequality of bargaining power and domination, see Goodin (1985).

with the status of being a free person (White, 2011)²⁶.

It has been said that the project of “modernity” has to do, to a great extent, with the extension of personal and collective autonomy and self-determination, also within the productive sphere (Wagner, 2008, 2012). This is a statement that clearly picks up the hopes of Enlightenment authors like Adam Smith, who saw in the realm of manufacture and commerce *new* ways for individuals and groups to choose and develop the (productive) live they really wish to live, and to do so under conditions of absence of domination. But this requires having “exit options” available: it is important to have the option to *leave* in order to credibly threaten and therefore condition and effectively codetermine the many possible ways in which we *stay*, in which we engage with others in the *creation* of productive arrangements of our own. And, as it has been seen, because of dispossession, the institutions of capitalism – labour markets, companies, etc. – undermine – if they do not completely remove – individuals’ opportunities to *leave* – that is, to *stay* on a footing of equal capacities to found, institute and drive. No modernity is possible without the availability of exit options.

(3) Besides – I am moving on now to the third feature of capitalism that turns it incompatible with commercial republicanism –, such wage-earning work takes place within productive units – the capitalist company – that are rigidly vertical, where we cannot control what we do. These productive units turn therefore to be highly alienating. It is mandatory to recall here that while Smith theorizes the advantages of *technical* division of labor – the allocation of tasks according to our skills, according to what we wish and are able to do –, he also analyses, describes and finally theorizes the disadvantages and damages of *social* division of labor – the fact that we perform certain unpleasant alienating activities precisely because we are part of the dispossessed class, of the class of those whose only way to subsist is to resort to the kind of wage-earning work that is offered into actual labor markets. In effect, Smith analyses help us theorize alienation as a phenomenon that is characteristic of hierarchically-driven “big”²⁷ companies – or companies of an *arbitrarily administered* hierarchy –, where one’s mind tends to degrade because it becomes increasingly difficult to keep an overview of what the productive process as a whole really is (WN, I, I, 2). Of course, this has disastrous effects on human psyche:

“In the progress of division of labour, the employment of the far greater part of those who live by labour, that is, of the great body of the people, come to be confined to few very simple operations; frequently to one or two. But the understandings of the greater part of men are necessarily formed by their ordinary employments. The man whose whole life is spent in performing a few simple operations, of which the effects too are, perhaps, always the

²⁶ This is why some suggest today, as Thomas Paine did in the past (Paine, 1997), that the political institution of a basic income guaranteeing everyone’s material existence – and therefore making sure that there is “none so poor that he is compelled to sell himself”, to put it in Rousseauian terms (Goodhart, 2007) – would make the best of senses in democratic republican terms. See, for instance, Casassas (2007) and Raventós (2007). Also, some welfare-state mechanisms can be seen as partial historical achievements to the cause of commercial republicanism, for they help promote different degrees of individual and collective socioeconomic independence and bargaining power within market societies – in connection to some specific cases, like Scandinavian welfare-states, it has even been argued that such mechanisms have been close to allow the decommodification of labour force, which amounts to say that they have profoundly contradicted the main effects of the dispossessing nature of capitalism.

²⁷ It is worth recalling here that the kind of productive units Adam Smith is considering are companies with no more than twenty workers: “It sometimes happens [...] that a single independent workman has stock sufficient both to purchase the materials of his work, and to maintain himself till it be completed. [...] Such cases, however, are not very frequent, and in every part of Europe, twenty workmen serve under a master for one that is independent” (WN, I, viii, 9-10). It is needless to say that Adam Smith’s report on working and living condition within 19th Century Manchesterian and 20th Century large-scale production corporations would have been everything but enthusiastic.

same, or very nearly the same, has no occasion to exert his understanding, or to exercise his invention in finding out expedients for removing difficulties which never occur. He naturally loses, therefore, the habit of such exertion, and generally becomes as stupid and ignorant as it is possible for a human creature to become. The torpor of his mind renders him, not only incapable of relishing or bearing a part in any rational conversation, but of conceiving any generous, noble, or tender sentiment, and consequently of forming any just judgment concerning many even of the ordinary duties of private life. [...] The uniformity of his stationary life naturally corrupts the courage of his mind” (WN, V, I, f, 50).

Also, there is need to add to these societal problems that of the massive loss of productivity and efficiency that derives from the fact that the vast majority of people are forced to perform an activity that they do not wish, an activity that therefore turns into “forced labor” – labor that is *forced* by need, by dispossession. Of course, this does not happen when individuals have the real opportunity to work on what they wish, on what they have dexterities in, on what they have real “entrepreneurial spirit” for. Therefore, capitalism seems to be a system that is both unjust – because its “free enterprise” system constitutes a privilege of the few – and inefficient – because it blocks and buries a huge myriad of forms of productive work individuals and groups would like to do but they cannot access because they are obliged to perform the kind of work that is “on offer” within existing dispossession-based labor markets.

As it can be seen, Smith’s analysis of workers’ alienation processes is a clear precursor of (and has a great influence on) Marx’s *Economic and Philosophic Manuscripts of 1844* – it is not in vain that the works of both authors share deep roots into Classical and Hellenic ethics. In fact, classical theories of virtues permeate the bulk of Smith’s ethical and political analysis – not only his analysis of capitalist company. According to Smith, who echoes Aristotelian moral psychology, individuals deploy their personal identities not in isolation, but when they have the means to meet others, to open up the doors to interaction processes with others in all spheres of social life (Casassas, 2010, Kalyvas and Katznelson, 2008; Winch, 2002), and when such interaction processes take place on the basis of equity among peers, which has to permit *excellent, virtuous* unfolding of life plans. In this way, one can link Adam Smith’s critical analysis of alienation within capitalist companies to apparently minor issues like his critique of the effects of religious sects on individuals’ minds and his defense of public promotion of theater plays as a way to favor people’s socialization, amusement and education through their encounter and exchange with others (WN, V, I, g, 12-15).

(4) Fourth and finally, Adam Smith helps us understand that capitalism shows deep problems in terms of economic participation and inclusiveness. In effect, if we try to enter markets as producers, then it occurs that we simply cannot do it. Why? Because of the existence of many forms of entry barriers: monopolies, oligopolies, patents, certain forms of dumping by long-established companies, advertising, etc. In other words, capitalism has an intrinsic tendency to the concentration of economic power and to restrict individuals’ opportunities to develop their own “entrepreneurial spirit”. The chance of nourishing such “entrepreneurial spirit” becomes thus a privilege that is restricted to a minority of people.

Still in other words, Adam Smith is probably the first thinker that helps us understand that capitalism goes inherently against effectively free competition – competition being understood as people’s presence and participation within the productive field. The very reason why this is the case is clearly explained in the WN: proprietors – capitalists – are intrinsically motivated to oppose and try to block any decrease of prices to the level of costs – or, to put it in contemporary terms, to the level of “marginal cost” –, this being the case because they perfectly know that at this point in which prices equal costs, profits disappear. Therefore, proprietors tend to come to factious agreements aimed at limiting competition, participation, and the entry of new producers who could

endanger their profits – for new producers tends to mean lower prices. Smith says:

“The rate of profit does not, like [...] wages, rise with the prosperity, and fall with the declension of the society. On the contrary, it is naturally low in rich, and high in poor countries. [...] The interest of this [...] order [that of ‘those who live by profit’] has not the same connection with the general interest of the society as that of [the order of ‘those who live by wages’]”. Therefore – he adds –, “the proposal of any new law or regulation of commerce which comes from this order, ought always to be listened to with great precaution, and ought never to be adopted till after having been long and carefully examined, not only with the most scrupulous, but with the most suspicious attention. It comes from an order of men, whose interest is never exactly the same with that of the publick, who have generally an interest to deceive and even to oppress the publick, and who accordingly have, upon many occasions, both deceived and oppressed it” (WN, I, xi, p, 10)²⁸.

Hence, State intervention must be aimed at putting an end to new privileges of modern employers, who must be seen as potential rentiers. It is important to understand that Adam Smith’s ideal, like that of classical economics as a whole (Milgate and Stimson, 1991) is a political ideal aimed at promoting undominated social relations within the realm of manufacture and commerce according to a very important proviso: everyone must be remunerated – including employers, who invest and manage, and therefore are entitled to get reasonable profits, which is the way in which we remunerate capital –, but no rents – be they land, capital or financial rents – can be nourished and consolidate. In effect, rents are the result of unproductive labor²⁹, and they all must be politically extirpated because they tend to be the source of freedom- and participation-limiting

²⁸ Interestingly, as Marx did in the 19th Century when he analysed the tendency of the rate of profit to fall, Keynes reintroduced this old Smithian idea when he discussed the fall of what he called the “marginal efficiency of capital”. In effect, according to Keynes, the development of capitalism means, together with more complex production systems, more producers and more competition, which leads to a decrease of what capital can afford producers in terms of profits. In this context – Keynes adds – it is mandatory that public institutions control capitalists, as they have strong incentives to introduce entry barriers and to seek in various forms of speculation those high profit rates productive economic activity may not be offering (Keynes, 2007).

²⁹ Unlike within neoclassical economics, where individuals sovereignly decide which goods, activities and productive processes are worthy, relevant and valuable – and which are not –, Smith thinks that there is a clear *objective* distinction between productive labor – that which adds value to the economy – and unproductive labor – that which does not –, a distinction that Marx picks up in his *Theories of Surplus Value* (I, IV, 5). And it is worth noting that Marx does so when he criticizes those 19th Century “vulgar bourgeois economists” who, while they praise Adam Smith for allegedly being the main advocate of *laissez-faire*, they address a gentle reprimand to him for having included the work of bureaucracy into the list of the various forms of unproductive labor. According to those “bourgeois economists”, it does not make sense to keep bureaucracy into this list in a moment where it is already evident that bureaucracy is crucial to erect and reproduce a massively expanded capitalist system and the colonial apparatus that accompanies and sustains it (Marx, 1975). Of course, Marx does not share the vision “bourgeois economists” have of industrial capitalism and imperialism and their interest and inclination to make an apology of them.

concentrations of economic power and forms of market power³⁰. In sum, economic rents constitute true *civilizational cancers*, for they enable the few to control entire markets and economies and, therefore, undermine the opportunity of the many to develop their own life plans on a footing of equal independence and freedom³¹.

It is worth dwelling on this point for a moment. For if it is not possible for economic actors to introduce rent-making devices into the economy in order to make profits in an unproductive way – be it from capital, land, real estate or finances –, a question will arise: who will then produce? Can a problem of lack of incentives to produce emerge? In other words, will producers produce if they cannot obtain rents and hence live as rentiers do? Adam Smith's point with regard to this is crystal clear. According to Smith, there is need, first, to find ways to politically expel from economic life – through *firewalls* – those whose only motivation to produce has to do with obtaining big amounts of wealth and economic power through the introduction of forms of market power and economic privilege; and second, there is need to find ways – through *firewalls*, that is, through appropriate institutional design – to promote the presence and projects of those producers who aim at developing their dexterities and inclinations in a virtuous way, that is, of those producers whose goals have to do with deploying their life plans within an *inclusive* productive field – because they don't want to produce and live in an isolated way or in a way that erodes social cohesion (Winch, 2002) – and in an *excellent* happiness-enhancing manner. In other words, Smithian commercial republicanism vindicates a renewal of classical ethics of virtues, which, according to him, are to be related to the spheres of manufacture and commerce. In effect, Smithian commercial republicanism is committed to the promotion of the freedom- and civilization-enhancing economic behaviour and participation of all those individuals and groups who “just” seek to produce – and to contribute to the making of the social product – in a skilful excellent way, which is the way to achieve relevant degrees of self-realization. For these individuals and groups, economic success is a byproduct or spin-off effect, and constitutes the *sign* that they are doing well – notice the Aristotelian echoes of this analysis. Therefore, these individuals and groups will be fine with those “naturally low” rates of profit that are characteristic of prosperous societies, that is, of economically inclusive societies. As it can be seen, Adam Smith, on the wake of Montesquieu³² and Hutcheson, and unlike what

³⁰ Hence Keynes' idea about the need of politically instituted “euthanasia of rentiers” (Keynes: 2007). According to Keynes, rentiers limit people's participation within the economic sphere and therefore bring injustice and inefficiency. In effect, the presence of rentiers means that a few can control entire markets and economies and, therefore, undermine the opportunity of the many to develop their own life plans on a footing of equal independence and freedom. They must be fiscally destroyed, Keynes says in chapter XXIV of his *General Theory*, and a policy of low interest rates – he adds – needs to be implemented in order to help promote undominated economic participation of everyone who is willing to enter markets, invest and produce.

³¹ For a republican analysis of the negative impact of capitalist private control of investment on popular sovereignty, see White (2011). In particular, Stuart White alerts us to the threats to freedom and democracy implied by the fact that a few can (in)directly decide on how markets, economies and even state policies are to be shaped. Interestingly, Donald Winch argues that “the openness of [England's] parliamentary institutions to pressure from merchants and manufacturers constituted a major threat to the idea of public good Smith was articulating in the *Wealth of Nations*” (Winch, 2002: 304-5).

³² For a discussion of Montesquieu's views on the favourable effects of commerce on virtue and civilization, see Manin (2001). Also, Donald Winch clearly explains how Adam Smith takes these views up and champions that commercial interdependency and manufacture can help promote liberty and civilization. In effect, Smith presents urban commercial and manufacturing activities as forces that can eliminate servile dependency, among other reasons because “commerce provides the modern alternative to what the ancients attempted to achieve by means of an agrarian law designed to overcome large concentrations of property and power” (Winch, 2002: 301).

Rousseau suggests³³, offers a modern manufacture- and commerce-oriented take of classical theories of virtue: in opposition to Aristotle, who denies the possibility of virtue among those who live by the labour of their hands, Smith claims that (Aristotelian-like) virtues are also possible for those independent producers who make a living out of manufacture and commerce, and it is mandatory that public institutions help these virtues to deploy (Casassas, 2010; Kalyvas and Katznelson, 2008).

4. Commercial republicanism today: lessons for emancipatory thought and action

What conclusions can be drawn from all previous analysis? In this section I shall outline some that I think are worth considering both for epistemic and political-normative reasons.

(i) Markets are politically constituted. All markets are the result of a political option that materializes into a certain form of State intervention. Therefore, markets are not metaphysic entities the nature of which we cannot discuss and politically dispute. Markets are of humans doing. The question to be asked is of course which group(s) of human beings (do not) participate into the making of markets.

(ii) If so, there is need to make the claim that markets are not to be necessarily seen as a part of a conservative, neoliberal, right-wing agenda and toolkit. What is part of the conservative, neoliberal, right-wing agenda are *capitalist* markets, which, by the way, are as politically constituted as any other kind of market is or could be – again, all capitalist markets are the result of (sometimes massive) State intervention.

(iii) Consequently, there is need to make a complementary claim: markets *can* be part of an emancipatory agenda, and it is highly unfortunate that some emancipatory social and political projects and schemes wash their hands of markets and sell them to the neoliberal right-wing universe at bargain prices³⁴.

(iv) Furthermore, it is also to be learnt that markets – as systems for the allocation of resources and tasks in a decentralized manner – have always existed – or, at least, they have done so since the Bronze Age. As anthropologists like Karl Polanyi (1944) or, more recently, Jack Goody (2006) have taught us, it is false that markets were born with (Western) capitalism or that they should be of a

³³ For an analysis of Rousseau's position in his "Letters written from the mountain" on the unlikelihood that modern "merchants and craftsmen" engage in the sort of virtuous relationships "the ancient peoples" used to lead and nourish, see Vidal-Naquet (2009: 213).

³⁴ In fact, there is a long tradition of conceptual and terminological gifts and offerings from "the Left" to "the Right" that can only be explained as the result of a full misunderstanding of what emancipatory traditions have been contributing and can still contribute to such concepts, terms and political projects – think of "freedom", "the individual", the "private sphere", and, of course, "the market": all of them have been and are sometimes bizarrely seen as necessarily "liberal" or "bourgeois".

capitalist nature³⁵. Besides, Gregory Baum hits on recalling that, according to Polanyi himself, markets are even needed because they sometimes can help solve many coordination problems complex societies involve (Baum, 1996).

(v) Even more – Adam Smith says –, *if appropriately constituted* – that is, if bonds of dependence have been duly extirpated from their bosom thanks to the introduction of *firewalls* –, markets can favor the externalization of our capacities, the deployment of our personal and collective identities, the free expression of our propensities and inclinations, which can be valued and recognized under conditions of political equality (Kalyvas and Katznelson, 2008).

(vi) The relevant point is always the social structure of the conditions under which market exchanges occur: do they take place under conditions of socioeconomic independence by all parties? This is the crux question.

(vii) And, unlike what (neo)liberal credo maintains, the fact that decentralized exchanges take place under conditions of socioeconomic independence and non-domination is something that can be politically achieved – again: through *firewalls* – both in the 18th and in the 21st Centuries.

How to operationalize it? Of course there are many ways to inherit and interpret such a political legacy. In general terms, though, there are good reasons to think that it is mandatory, in order to counteract the dispossessing nature of capitalism, to conceive of public policy schemes aimed at universally and unconditionally transferring and provisioning resources of many sorts, in order to confer a position of social invulnerability upon all individuals³⁶. It is a public policy that should not limit itself to *ex-post* assist those who fall, but that should *ex-ante* empower individuals as independent social actors that are effectively capable of individually and/or collectively building

³⁵ Let us directly read what Goody tells us on markets as social institutions that were prior to capitalism and which appeared in many different societies at many different points in time: “a broad base of mercantile [activity] seems obvious enough given the extent of early merchant activities in Asia and the export of Indian cotton to the East Indian islands (Indonesia) and to South-east Asia (Indo-China), as well as the export of Chinese bronzes, silks, and porcelain throughout those regions. Compared to western Europe and even to the Mediterranean, in earlier times the Far East was a hive of mercantile activity. [...] If we look at the more or less continuous history of towns in Asia, [we realize that] outside [Europe] towns and ports did not disappear to be reborn as forerunners of capitalist Enterprise; they continued to flourish throughout Asia and formed the nodes of exchange, manufacture, education, learning, and other specialist activity that pointed towards later developments. [...] Wherever they were found, towns were involved in early mercantile [...] action, in India, in China, in the Near East. They were centres of specialist activities, of written culture, of commerce, of manufacture, and of consumption of various degrees of complexity carried out by merchants, artisans, and other bourgeois elements. [...] In effect, in Eurasia – with the exception, precisely, of part of feudal Western Europe –] the urban civilization of the Bronze Age continued to produce an increasingly wider range of artisan and manufactured objects, a wider set of trading networks, a greater development of mercantile culture. [...] Eventually the west caught up again after the revival of trade and the growth that Pirenne speaks of in the eleventh century. That took place mainly because of the return of exchange with the Near East where urban mercantile culture had never disappeared, a return in which the role of Venice and other Italian centres was critical. Elsewhere trade networks had continued to extend from the Bronze Age onwards, in Ceylon, in South-East Asia, in the Near East, the Indian Ocean. [In all these contexts], the towns were ‘ports of trade’, to use an expression of Karl Polanyi. [...] In sum,] merchants have been an essential component of all towns and cities everywhere” (Goody, 2006: 300-4).

³⁶ In the end, these are the ways to guarantee those social and economic rights that materialize the social and economic dimension of political rights, citizenship, and democracy.

productive and life projects of their own³⁷. It is a public policy that therefore helps erect a world that is free from power relations and class privilege.

To be concrete, such a public policy must aim at constituting individuals' social positions as independent actors within society – within markets – in a threefold way: (1) first, by *ex-ante* guaranteeing individuals' basic material existence as a right, for instance through a basic income – a regular stream of income high enough to satisfy basic human needs and paid to every citizen on a monthly basis³⁸–; (2) secondly, by preventing or dissolving those great accumulations of private economic power that are so often linked to factious control of strategic resources and to rent-seeking and that tend to imperil freedom: in effect, an economic floor trying to empower the weak “constitutes a significant achievement from a republican point of view, but it nevertheless falls short of realizing republican freedom when powerful actors still retain the capacity to exercise significant social and economic control over others”, when powerful actors still retain the power to determine the rules of the social and economic space in which such freed citizens are expected to develop their lives (Casassas and De Wispelaere, 2012: 181)³⁹; (3) and thirdly, by reinterpreting welfare-state mechanisms such as health care, education, housing, and care policies, among others, not as a way to simply *ex-post* assist the worse-off within unavoidable capitalist markets, but as part of the strategy of *ex-ante* empowering individuals and groups for them to exit those social relations that harm their freedom and to autonomously erect and deploy a world in common⁴⁰.

And doing so constitutes a way to attempt to *reappropriate* (various dimensions of) the commons that were and are still being lost because of the dispossessing dynamics of capitalism. In effect, doing so is equivalent to contradicting capitalist dispossession and to rethinking ways to put into practice the so-called “principles of commoning” (Linebaugh, 2008) by creating a “common pool” of (im)material resources to be equally and democratically enjoyed. Of course, it must also be stressed that many forms of cooperatively-owned and self-managed productive units and projects that emerge independently of State agencies (Ostrom, 1990) can be reinforced by (and even help support) the kind of universal and unconditional public policy schemes I am pleading for.

In any case, packages of measures and self-managed projects of this sort are highly important in order to enable individuals and groups to collectively determine when to enter and when to exit markets. In effect, one of the main goals of such a public policy action is to socioeconomically empower individuals and groups to autonomously determine when to resort to markets in order to organize social and economic life and when to leave and do without them; in

³⁷ Notice that all this echoes the idea of a property-owning democracy, as it was suggested by Jefferson in the end of the 18th Century and as it has been more recently conceived of and interpreted for contemporary societies by authors like Meade (1964), Rawls (2001), and O'Neill and Williamson (2012).

³⁸ For a republican justification of a universal and unconditional basic income, see Casassas (2007), Domènech and Raventós (2007), Pettit (2007), and Raventós (2007). It should be asserted here that there are other possible ways of interpreting such political program of unconditionally guaranteeing an economic floor for all: in the case of South Africa, for instance, many authors have shown how land restitution and distribution may play a very similar role (Gotlib, 2012; James, 2007; Walker, 2008).

³⁹ These controls over great accumulations of economic power can be implemented either by “directly limiting the range of economic inequality” – through the taxation system and upper and lower limits to wages and to other forms of earnings, as a Rousseauian strategy of preventing economic inequality would recommend – or by introducing Roosevelt-like “measures [that] would allow economic inequality but impose a regulatory ceiling on what the vast economic wealth can do in terms of arbitrary interference in other citizens' lives” (Casassas and De Wispelaere, 2012: 180).

⁴⁰ It is needless to say that such a program is not possible without public resources enough to fund those packages of measures. For an analysis of a fair taxation system as a necessary condition of freedom, see Holmes and Sunstein (1999).

other words, when to bring certain resources and activities into markets and when to decommodify them. To go no further, labor is one of the resources that, according to the principles of the republican political economy I have tried to sketch out in this paper, ought to be *decommodified* – or, at the very least, *decommodifiable*. As above stated, having the “exit option” available is crucial to help secure the freedom-respectful nature of markets – like that of any social institution or relation. As it can be easily realized, all historical forms of capitalism, including the present ones, are openly incompatible with this ethical-political project.

These are then some guidelines to think of ways to politically guarantee that decentralized exchanges take place under conditions of socioeconomic independence by all parties. After all, such a public policy is a means to make of “social life” effective “civil society”; in other words, to prevent the city to be “in flames”, to “burn” as it did in the passages of Hume’s *History of England* and Smith’s *Wealth of Nations* that have been quoted in the beginning of this paper. Hence the validity of Adam Smith’s commercial republicanism for today’s emancipatory thought and action.

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