Respect in the Marketplace

Video Transcript

Adam Smith said in his Wealth of Nations, “It is not from the benevolence of the butcher, the brewer or the baker that we expect our dinner but from their regard to their own interest. We address ourselves not to their humanity but to their self love and never talk to them of our necessities but of their own advantages.” When Smith makes the claim that we should address them on the basis of their regard to their own interest, he thinks it signals not selfishness, but in an important way, it signals respect.

Now, that may seem counterintuitive, but let's think about this for a moment. One cannot simply mandate or command that another behave or exchange with him the way he wants. The other person has an opt out option; that person can say “no thank you” and go elsewhere. When one respects that opt out option, he is showing the other a profound respect. They are peers; one is not inferior nor superior to the other. They recognize and validate their moral equality.

In other words, if one person is able to command that another exchange, trade, or associate with him in a way only he wants, that is establishing an inequality — a very important inequality, according to Smith. It is an inequality not necessarily in material outcomes, but rather in moral agency. It's saying that one's interest and preferences are more important than another’s.

When Smith says, "We address ourselves to the advantages of the butcher, the brewer and the baker… to their own advantages," he suggests that we pay attention not only to us but to them, and when we do so and allow the opt out option, we establish a different kind of equality. The deep equality that runs through the market economy that Smith envisioned is an equality of moral agency. That, for him, is a morally superior conception of equality.

He is, therefore, not so much concerned about differing levels of material wealth. He is instead interested in the conception of equal moral agents dealing with one another as peers. For him, that is a great good, and indeed a cause for a celebration in a market economy.