

# Property, Community and the Accomplishment of Republican Freedom in Market Societies.

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## Abstract

This paper highlights the role of the notions of property – understood as socioeconomic independence – and community in the articulation of the republican ideal of freedom. First, the guarantee of the individual's autonomous social existence is a necessary condition for establishing a society of *effectively free* social and economic actors. Second, social cohesion is conceived of as a necessary condition whereby individuals can rationally define, put into practice and evaluate their life plans. Republican political institutions must then undertake two tasks that need to be carried out jointly. First, is to guarantee the basic conditions that ensure autonomous social life for all or, in other words, that empower the weak by bestowing on them some degree of bargaining power. Second, is determining some sort of restrictions on the accumulation of power: individuals should be aware of threats to their own freedom, and to the republic as a whole, that emanate from unbounded private power. These tasks constitute two necessary conditions for *social freedom*, that is, for *social life*, and *markets*, in particular, to become *effective civil society*. Thus, it might be said that republicanism is *true political economy*, for its core concerns are, first, the study, on a *descriptive* basis, of the socioeconomic causes of domination in social life and, second, a claim in favour of promoting – from a *normative* perspective – all political measures that can lead to the extension of freedom as non-domination to the greatest possible extent. Thoughtful doses of *political mechanism design* are then needed so that non-vacuous notions of freedom and neutrality can become reality in contemporary market societies.

**Keywords:** 1) Republican Freedom 2) Property as Socioeconomic Independence 3) Civil Society 4) Republican Neutrality 5) Market as a Republican Social Institution 6) Republican Community 7) Republicanism as Political Economy

## Introduction: Republicanism and Social Justice in Contemporary Political Philosophy

What interest might a republican approximation to the question of social justice have? Does the republican tradition include conceptual and analytical elements that equip it to apprehend in any particular depth matters pertaining to social justice? This essay is born of the conviction that the republican tradition takes up essential issues through which we might comprehensively understand freedom – and threats to it. In effect, republicanism addresses questions that many of the *ideal theories* born in the wake of John Rawls either *cannot address* for methodological reasons or *opt not to address* for reasons of both *method* and *substance*.

In this paper I depart from the assumption that republicanism, as a tradition of thought and action,

- 1) is articulated around a *sociology of domination*, which both acts as a motor and inherently forms part of any attempt to approximate a non-vacuous notion of freedom;
- 2) that it is also based on a *sociology of political institutions*, which makes it perfectly aware of the danger that if the political institutions that are designed to promote this freedom degenerate into an administrative apparatus consisting of a network of dense and unmanageable professionalised bureaucratic strata, they end up completely disconnected from, and in opposition to, civil society, which then collapses when faced with the impossibility of controlling the mechanisms that govern these institutions; and
- 3) that it embraces as its own a description of human cognitive architecture that produces an interesting *motivational pluralism* permitting both
  - a) consideration of individuals' *self-interest*, including the logic of incentives associated with them, and
  - b) the observance of an idea of a *community of equally free individuals*, individuals whose identity depends precisely on the enjoyment of the rest of a *social status* that makes them *also free* and hence, and up to a point, *fellow citizens*.

These three elements – *sociology of domination*, *sociology of political institutions* and *motivational pluralism* – provide us with a privileged theoretical perspective from which to approach certain debates that have opened up at the core of contemporary social theory and moral and political philosophy. These are issues that also pulse in the foundations of certain emancipatory-tending discourses that echo, to a greater or lesser extent, in today's public spaces. For this very reason, it would be a good thing to see them being weighed up in the arena of political philosophy.

Yet we might ask ourselves, whether it is really necessary that we should consider the *underlying sociologies* the republican tradition has always included in its analysis in order to construct solid and relevant notions of freedom and autonomy and, hence, even of neutrality. Do the “ideal theories” that characterise egalitarian liberalism rest on schemes that are capable of assuming all these socio-institutional concerns, and that do so in a more simple and economical or *parsimonious* way? Or, on the contrary – the case of Rawls's later works might be highly revealing here – can we even say that the evolution of egalitarian liberalism from 1971 onwards has implied, at least to some extent, growing consideration

for these *underlying republican sociologies* and, consequently, some kind of approximation to the normative axis of the republican ideal?

As might be noticed, these questions spur us on, not only in the task of analytically outlining (the *substance* of) essential concepts like those of freedom, neutrality, community or self-interest, but also in addressing the (essentially *methodological*) question about the need – or otherwise – of anchoring these concepts in some of the findings of the *positive* sciences that are close to political philosophy. It is true that these results might eventually make political philosophy a more *contingent*, or less *ideal* discipline; but, might it also be true that these results could make it more *substantive*? Needless to say, the answers to these questions could be determinant in the light they shed on the way we must go about addressing the *problems of social justice* that are caused by the social forces that shape contemporary capitalism.

This paper concerning the space of republican freedom in today's market societies takes off from affirmative answers to the questions formulated above. I shall suggest that the republican tradition offers a point of view that succeeds in distilling essential notions in the domain of moral and political philosophy with particular insight and conceptual depth *because* it departs from the assumption that individuals are agents that operate within a socio-institutional framework or, in other words, *because* it grapples with the fact that the question of freedom, of self-government and the condition of citizenship “is visible only when individuals are conceptualised within a context of social relations and institutions”. (Pateman, 2006: 115).

In other words, republicanism constitutes a highly *demanding* tradition of thought. But it is important to notice that, in its exigency, it not *only* addresses the will of individuals and their – *plural* - motivations, but also it is *especially* concerned with the definition of freedom itself. In effect, what is needed is thoroughgoing consideration of the *underlying republican sociologies* – both the *sociology of domination* and the *sociology of political institutions* – if we wish to articulate a substantive notion of freedom. In other words, unless political-institutional action is taken to eradicate the relations of domination that republicanism detects, and unless the necessary mechanisms are introduced for dealing with possible degradation of political institutions, any attempt to make the idea of effective freedom become reality will be doomed to failure.

This essay aims to explore seven questions and I shall present their analysis as linked. First, the *socially endogenous* character that liberty acquires under the auspices of republicanism will be highlighted. Second, I shall look at the sense in which it is necessary

to include under the heading of republicanism the notion of “civil society”, this being the space where republican freedom becomes effective. Third, the main threats to civil society that republicanism detects will be presented. Fourth, I wish to explore the consequent notions of neutrality and tolerance that republicanism contemplates. Fifth, the implications of managing this idea of neutrality when it comes to conceiving the intervention of public authorities in social life will be shown. More precisely, I shall sustain that, under certain conditions, conceiving of markets as potentially republican institutions could take on the best of senses. Sixth, I shall discuss the importance of politically sustaining a *community of fellow citizens* in order to convert these markets (once they have been properly designed) into social institutions that are *compatible with* – and even *causative of* – a republican social and political order. Finally, seventh, I shall conclude by examining why republicanism, understood in the way it is presented here, constitutes *per se* a true *political economy* whose normative dimension makes it possible to respond to the main questions pertaining to *social justice*, which humanity must confront today.

In this essay I shall refer to several passages taken from the work of Adam Smith in order to illustrate more precisely the sense of the postulates I shall be formulating. Using the work of Adam Smith as the backdrop to this study is particularly interesting in the development of my arguments for two basic reasons. First, Adam Smith’s work (with the particular language and aspirations of his eighteenth-century Scottish milieu) forms part of the main body of the intellectual and political republican tradition that unites the thought of Aristotle and Cicero with that of Machiavelli and thence – and here I would stress the *Atlantic* side – with that of Harrington, Milton and, finally, what is known as the *Scottish Historical School*<sup>1</sup>. Second, and above all, Adam Smith’s work, which was being written in the dawning years of the *great transformation* that eventually gave rise to the market societies we know today, offers a number of especially revealing clues for understanding the nucleus of the republican tradition: its focus on *property*. Adam’s Smith’s essential concern for the spheres of production and exchange is permeated at all times by an axiology that is proper to the republican tradition, the central, constitutive feature of which is the priority given to the question of *property* – of material independence – in order to understand and foster a notion of liberty that aims to be full of substantive content.

In effect, Adam Smith viewed the market – or rather *markets, certain markets* of politically designed features – as a social institution that *can* nourish *encounters* between free and civilly independent, and hence *fellow* individuals, encounters that *can* ensure (1) the

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<sup>1</sup> For a study of the republican roots in Adam Smith’s thought, see Casassas (2005).

improved conditions of life that all human beings aspire to, and (2) that such material improvement occurs in a plural, diverse but *in no case socially fractured* community. This is why it must be asserted that Smith's political-normative option points to a *commercial republicanism* that is articulated around the affirmation of notions of *property*, on the one hand (property understood here as the material independence upheld by the republican tradition) and, on the other, *community*, the conceptualisation of which is at all times freed from the incumbrance of the influence of comprehensive doctrines. Needless to say, these reasons are more than sufficient for justifying my borrowing of several claims that Smith makes in his work so that I might shed more light on the analysis and postulates that will follow<sup>2</sup>.

## 1. The Earthly Nature of Republican Freedom

I shall begin by citing a passage from *The Wealth of Nations* where Adam Smith makes an indirect reference to the *Great Fire* of London on 2 September 1666, which devastated four fifths of the city and, one century later, was movingly described by David Hume in his *The History of England*<sup>3</sup>. What matters here is that Adam Smith's passage makes reference to fire in terms that hide a deep ethical and political meaning. When it comes to justify the control of the issue of bank notes, which he prescribes, Smith makes a short digression and expresses himself this way:

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

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<sup>2</sup> The original sources I have consulted are those published, under the supervision of D.D. Raphael and A.S. Skinner, in *The Glasgow Edition of the Complete Works and Correspondence of Adam Smith* (Oxford University Press & Liberty Fund, 1981-1987). The abbreviations used are as follows: *WN* refers to *An Inquiry into the Nature and Causes of the Wealth of Nations*, and *TMS* to *The Theory of Moral Sentiments*.

<sup>3</sup> Hume says, "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". Hume, "the most illustrious philosopher and historian of our times" (*WN*, V, III, III), 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" (Hume, 1856: 50).

regulation may, no doubt, be considered as in some respect 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 [...]. 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. (*WTN*, II, ii, 94)

What is Adam Smith suggesting here? To begin with, and in keeping with the axiological framework and the vocabulary of the world in which he lives, heir of the *left-wing of the natural law tradition* (Tuck, 1979), Smith observes that freedom, like the fire, is “something natural”. This is why it makes sense to question any action that is geared to controlling “natural liberty”, in this case that of the bankers to do what they might wish to do in their own sector.

Nonetheless, if this “natural liberty” is concentrated in the hands “of a few individuals” in an *inappropriate* way, it might endanger the “whole society”. This is why republicanism has established without exception that legitimate public authorities must politically intervene – with well-considered and agreed-upon (*non-arbitrary*) measures – to prevent such *inappropriate* concentrations of “natural liberty”, such concentrations of “power” or, as contemporary sociologists in the wake of Walter Korpi (1998) say, such concentrations of “power resources”.

Republicanism, then, unlike doctrinaire liberalism<sup>4</sup>, which was codified during the nineteenth century, and also unlike the central postulates of neoclassical economics, denies that social life is a *politically neutral* space or, in other words, a space without power relations wherein social actors limit themselves to signing contracts freely and voluntarily. In effect, the republican view of social life is one of a world that is split into classes, that is, rigidly compartmentalised into strata or ranks, the distinctions between which have social and historic – *institutional* - origins that are *institutional*, both determined and *determinable*, hence the revealing title of the book (written with profound historical and sociological consciousness) by Adam Smith’s leading disciple, the historian John Millar: *The Origins and Distinctions of Ranks*. Thus, the republican tradition constantly assumes that social life

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<sup>4</sup> It might also be advisable to say, “unlike the *greater part of the liberal tradition*” if it is true, as David Miller suggests, that a liberal conception of life sees citizenship “as a set of rights enjoyed equally by every member of the society in question”, to which he adds, “although citizens enjoy equal political rights, nothing is said [in the liberal tradition] about how zealously they are supposed to exercise them” (Miller, 2000: 44).

incorporates significant – determinant – asymmetries of power and that it is necessary to go about dismantling them for the good of “society as a whole”.

Liberty, then, might be called “natural” but it is not exogenous to social life – or pre-social. It is endogenous. It is achieved and maintained *by political means*, in the bosom of social life, at the heart of a space in which *firewalls* have been erected in order to check social domination, and where a “society” that is truly “civil” might come to be constituted. The historical republican tradition has called upon men and women, that are made of very diverse motivations, to *earthly* conquer for themselves individual and political freedoms by undertaking an *earthly* socio-institutionally framed struggle. In effect, the diverse and socially exigent attributes of freedom, along with the possibilities for its juridical enshrinement within a structure of constitutive rights, do not proceed from divine providence or from a structure of desires that is bestowed upon us *ab initio et ante saecula*, but rather they are achieved through *struggle*, undertaken by human beings so as to attain the necessary conditions whereby they might enjoy a sphere of autonomous social existence.

## 2. The Republican Notion of Civil Society

Now that the republican conception of the genesis of human liberty has been outlined, we may proceed to analysing the intuition, genuinely republican too, that “social life” is not necessarily equivalent to “civil society”.

For the greater part of the republican tradition, be it aristocratic or democratic, and from Aristotle to Marx, whether or not the term in question is used, “civil society” is an *association of free and equal individuals* (*equal* in the sense of being *equally free*) in a community whose fully-fledged members enjoy, without exception, material independence. At this point, it is interesting to highlight that it was the most decidedly republican Marx who asserted that “the yoke of capital can be removed by the beneficial *republican system of the association of free and equal producers*” (Marx and Engels, 1989/16: 195). Again, it is highly revealing that we owe to Rawls (in his later works) the statement that “what men want is meaningful work in *free association with others*” (Rawls, 2001: 257)<sup>5</sup>.

The enjoyment of this material independence must therefore be understood precisely as the enjoyment of the guarantee of a sphere of autonomous social existence, to which I referred at the end of the first section of this paper. Finally, it is the guarantee, to

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<sup>5</sup> The italics in these two quotes are mine.

all individuals, of this autonomous sphere of social existence that will permit the eradication of social classes, the eradication of *distinctions between ranks*, which the republican tradition has earmarked as a priority political-normative goal.

In this direction, facilely equating “social life” and “civil society” constitutes, within the conceptual and analytical republican framework, a *theoretical glissando* that is, however one looks at it, far too hasty. Social life can accommodate, and it does accommodate, all kinds of domination that make of it an essentially *barbarous*<sup>6</sup> space.

It is therefore only by way of a previously agreed intervention – one that is disputable and constestable in Pettit’s terms (1997) - by legitimate public authorities capable of checking and eradicating the very roots of social domination that it will be possible to extend to all the individuals who have been called to be members of “civil society” (of *civilised social life*) the *material conditions that are necessary for this “civil” society to come about*: the guarantee of material independence, the guarantee of a sphere for an autonomous social existence.

### 3. Two Threats to Civil Society

Such *politically* conceived efforts can, however, end up making civil society succumb before two dangers that, according to the republican tradition, hover over it. What these two dangers are?

The first of these is that civil society is divided when the material resources that give access to property – material independence – are distributed in such an unequal fashion that a mere few are able to bias *pro domo sua* the collective process of decision making so as to convert the social order into an oligarchic or plutocratic tyranny. This is why figures like Machiavelli or Adam Smith are so deeply critical of factionalism, whether old-style (feudal) or newly installed (proto-industrial).

When this occurs, republicanism affirms, the big proprietors who, as Smith would say, have managed to delimit the exercise of natural liberty so that it benefits very few people, are equipped to subjugate, in material and civil terms, those who should be citizens in conditions of *mutually recognised political equality*. “The whole society”, “civil society” is thus under threat.

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<sup>6</sup> The rhetoric of “civilisation” – *politeness* – as opposed to “barbarism” adopted by several members of the Scottish Historical School, among them, in particular, Adam Ferguson, and also Adam Smith, goes back precisely to a materialist view of the evolution of human societies that indicates the prescription of political-institutional mechanisms that are equipped to eradicate all the sources of the asymmetries of power that permeate the whole of human beings’ life in society (Casassas, 2005).

Again, it is precisely in this *sociology of domination*, in this portrayal of the *institutional* roots of social domination, that we find the basis of the republican assertion according to which legitimate political institutions, born of civil society and owing their existence to support civil society, must construct *firewalls* that are able to check the rapacious capacity of the great unrestrained private powers. This, it might be said in passing, has nothing to do with eliminating private property nor with moving away from the logic of incentives, at least in spaces and scenes where it is appropriate. In such situations, I repeat, legitimate political institutions must define, reinforce, and warrant a sphere of guaranteed autonomous social existence for everybody. As Stuart White cogently recalls, this is also the proposal of the Rawls who was most committed to the substantive results of *positive* disciplines adjacent to political philosophy. White (2006) says, “Rawls holds out the possibility that its fundamental principles might turn out to support a republican model of the polity *in the light of researches into the sociology of democratic societies*”<sup>7</sup>.

The second danger is that these “legitimate political institutions” (the State), which comprise an active and *complex* (though not necessarily *complicated*) apparatus, might nourish, as living organisations they are, certain inertias so that they eventually cut loose from their moorings in civil society, which they are supposed to sustain, whereupon they set about establishing themselves as agents that are more concerned with carving out domains of power for their own benefit. In this case, *social life* no longer conserves its *civil* character and it can only revert to a state wherein *bellum omnium contra omnes* is the rule.

The republican tradition offers exhaustive descriptions of a great number of historical cases where this has come to pass, from the decline of the Roman Empire to the formation of the great absolutist monarchies in modern Europe and the conversion of these into what came to constitute the foundations of the mammoth nineteenth-century bourgeois state, and, at this point, the analyses of Adam Smith and the Karl Marx of the trilogy on France, both of them clearly *anti-state*, offer revealing connections. Such analyses make it possible to state that the republican tradition also consistently works with a *sociology of political institutions*, which means that it is more than aware of the importance of organising mechanisms of control over institutions that have been created to eradicate domination and favour the extension of republican freedom to the highest possible degree.

These, then, are the two dangers to which the republican tradition is perpetually alert. And, once again, Adam Smith provides evidence of these concerns. In one passage of

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<sup>7</sup> The italics are mine.

*TMS* the Scottish thinker offers a masterly summary of the considerations I have been describing in this third section:

To neglect altogether [the duties of a law-giver] exposes the commonwealth to many gross disorders and shocking enormities; and to push it too far is destructive of all liberty, security, and justice.” (*TMS*, II, ii, I.8)

#### 4. The Significance and Scope of Republican Neutrality

What this means, then, is that both dangers need to be dealt with. Only then will it be possible to speak of *neutrality* in any robust sense of the term. How does the republican tradition understand the notion of neutrality? As we have seen, republicanism, which assumes the presence of *conflict* in social life, postulates the need for state intervention that is aimed at eradicating any kind of bond of dependence between individuals, always with the objective of constructing an *effective civil society*.<sup>8</sup>

Hence, it is worth highlighting that the requirement of *state neutrality* is a characteristically republican contribution to political philosophy whose origins date back to Pericles’ times (Bertomeu and Domènech, 2006). In effect, the – republican – requirement of “neutrality” is not just confined to the – “negative” – respect of all the different conceptions of the good life (in fact, the radical republican laicism has always taken this “respect” for granted). The – republican – requirement of “neutrality” demands, in essence, a – “positive” – obligation, that is, a non-arbitrary interference of the State in social life in order to cut off the economic and institutional roots of those private powers that put at risk the capacity of individuals (individually or collectively) to define and put into practice their own life plans (*ibid*). Those who confine “neutrality” to the “negative respect” and forget the “positive obligation” erode this ideal in such a way as to make it compatible with (while also underpinning) the *strictly formal* legal and political regimes that we have inherited from doctrinaire liberalism.

This means, then, guaranteeing *politically* that individuals will have the capacity to govern their own lives by administering the material basis of their autonomous existence (if they enjoy at least some elementary control over this material basis, of course). In fact, this is the famous “republican virtue” – I repeat the formula -: individuals’ capacity to govern their own lives by administering the material basis of their autonomous existence. And it is interesting to note that this is, at least partially, what the *liberal* Dworkin (1990) suggests:

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<sup>8</sup> In this section I shall reproduce some passages that can also be found in Casassas and Raventós (2006).

individuals are not automata that merely react to stimuli that are rigidly delimited by an untouchable structure of desires; on the contrary, individuals have the capacity to define their life plans, which is partly the result of the smooth running of their second-order rationality. And political institutions must ensure that individuals have the chance of undertaking this process.

Once again, then, we find the importance of a political guarantee of the *material possibility* of a free process, either individual or with the support of the rest, of the individual's defining and developing his or her own life plans. And let us note that what is at stake here is nothing more nor less than the full unfolding of personal identities.

But, does this scheme accommodate *moral perfectionism*? According to the republican ideal, a coherent answer to this question must be negative, unless we consider that *moral perfectionism* is:

- (1) the recognition that all members of the human race have the possibility of the second-order rationality, which, as we have seen, Dworkin *describes*; and/or
- (2) the recognition of the need to build communities that *politically* recognise that all members must enjoy (thanks to measures guaranteeing socioeconomic security, for example, by means of the universal and unconditional right to a Basic Income) the capacity to develop this second-order rationality and, thus, to put into practice the life plans emanating from the exercise of such a rationality; and/or
- (3) the fact that republicanism, unlike liberalism (which does not restrict individuals' preferences because *individual sovereignty* must remain intact), requires institutions (a *polity*) with the capacity to restrict any preferences that might generate forms of domination: as I have emphasised above, republicanism establishes that it must be impossible for me to *civily* subjugate other individuals, even if I, in *my individual sovereignty*, *prefer* to do so. In fact, the classics of republican thought and also the work of some egalitarian liberals (John Rawls's later work (2001) is a highly revealing example of this) have alerted us to the threat against individual and collective freedom that overlooking the function – or *telos* - of wealth might imply. The main function of wealth is attention to – and satisfaction of – the plural wishes – or *preferences* – that each and every one of us harbours; but it is important here to notice that, even though these wishes or preferences are *plural*, they must not damage the sphere of the autonomous social existence of other individuals. And it is the political institutions that must meet this requirement.

In sum, unless we regard “moral perfectionism” as at least one of the three situations I have just outlined, which might be difficult to sustain in any conceptually

precise and non-confusing philosophical terms, it is difficult to find an apposite connection between “moral perfectionism” and “republicanism” – at least, in the way the latter has been presented in this essay.

Thus, in no instance does the community define the contents – the *substance* – of the life plans that individuals might make for themselves. In fact, there is no kind of pre-existing or dominant *comprehensive doctrine* that determines what the *attributes* of these life plans should be. The political institutions (the State), then, must limit themselves to *regulating* “social life” so as to make “civil society” a reality and they must do so by guaranteeing that nobody will have the least possibility of arbitrarily interfering in the process, supposedly free and autonomous, of other people’s defining and managing their own life plans. They must therefore go about this by trying to give republican freedom as non-domination the greatest possible scope.

This brings us to the crucial point. The republican tradition does not reveal the essential distrustfulness of public sphere that we find in the liberal tradition or, at least, doctrinaire liberalism. But does this mean that republicanism glorifies or over-values the public sphere? Not at all. What we can find in the republican scheme are (1) first, evidence of the real capacity of individuals to conceive and promote political action organised with others in order to sever social domination at its very roots, and to build a social regime of Harringtonian “freemen” rather than of “bondsmen”; and (2) second, a comprehensive *sociology of organisations* – of political institutions – reminding us that the eventual political structures that might arise from this concerted political action must be subjected to extremely careful vigilance. This is a surveillance that will be *more* or *less* active and may not always require the *active participation* of individuals: in fact it might even be institutionally envisaged and conceived in advance through the legal and political mechanisms of a *contestatory democracy* (Pettit, 1999). In sum, this surveillance aims to prevent the political institutions, which can constitute a highly valuable instrument for the reinforcement of individual freedom, from degenerating into scrap iron waiting to be forged into weapons for the processes of “de-civilisation” of “social life”. And this is of the greatest interest for the majority of those who constitute the community under consideration.

It is important to realise here that republicanism has never dissociated the well-known notion of *civic virtue* from an in-depth analysis of (the causes and forms of) *class struggle*. First, as it has been said, republicanism identifies and underlines the presence of class distinctions, that is, of those “distinctions of ranks” John Millar talked about and that make “social life” *uncivil*. Second, republicanism states that all forms of political

commitment and engagement, which entails certain doses of *civic virtue*, must be understood within the framework of a class analysis underlying individuals' interest and effective real fight to become part of *civil society*, this being understood – I repeat the formula used in section two – as an *association of free and equal individuals* (*equal* in the sense of being *equally free*) in a community whose fully-fledged members enjoy, without exception, material independence<sup>9</sup>.

## 5. The Market as a Republican Institution

At this point we should ask which social institutions, and in what conditions of functioning, might constitute the (duly defined) settings that can house this “social life” that has become “civil society”. In particular, it is worth trying to elucidate in what sense the market constitutes an *institution-that-could-come-to-be-republican*. A reasonable point of departure would be assuming, as Adam Smith does both in *WN* and *TMS*, that (1) the individual is the best judge of his or her own situation, and (2) that he or she has an innate tendency to want to improve it. As is well-known, Smith, like most members of the republican tradition – and this point is worth emphasising –, affirms in his two most famous works that self-interest is an essential factor in the running of human motivational apparatus. If this is the case, these individuals must be able to devote themselves to this tendency of trying to improve their own situations without obstacles or interference from outside agents.

However, making it possible for everybody to do this, as republicanism also states, might require *non-arbitrary interference* from the political institutions that are designed to clear the way for these individuals to pursue their interests.

If all these conditions are met, Smith concludes, along with the other members of the republican tradition, it would be *as if there were an “invisible hand”* guiding society towards a situation of maximum liberty and happiness. This is why the republican political-normative precepts clearly point towards the need to achieve what we might call a *political constitution of the invisible hand*.

Thus, the “invisible hand theorem” – if it makes sense to talk of a theorem – is not only compatible with the republican tradition but also, and very especially, it must adopt from the republican tradition, as a necessary condition for its full accomplishment, this idea

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<sup>9</sup> This is especially clear in authors such as Aristotle, Harrington, Adam Ferguson, Adam Smith, Robespierre, and Marx, among many others.

of upholding (categorically *earthly*) political action geared to stamping out asymmetries of power, in other words, the obstacles and interferences that permeate social life.

Note that, in the end, what I am referring to is none other than “*laissez-faire*”. What this means is “letting people do” as they think best, but always within a social and institutional perimeter that guarantees that people can enjoy real opportunities, precisely, to “do”. Without these clearly defined boundaries, the exhortation of “*laissez-faire*” verges on sarcasm.

Furthermore, “*laissez-faire*” in a substantive sense may involve, and it is worth insisting on this, decided intervention by a *polity* that aims at extirpating all the ties of civil dependence that prevent people from releasing their own productive energies, their creative capacities *appropriately*, which is to say in keeping with what they are or wish to be.

It is also worth noting at this point that such approaches are, in turn, the very same that gave rise to the political project of economists of the neoclassical school, who, like the socialist Léon Walras, proposed political intervention through (non-arbitrary) interference, of whatever reach that might be required, to make possible perfectly competitive and free markets that would be free of asymmetries of power and information as the *normative* “theory of general equilibrium” upheld and prescribed.

And it is worth noting, too, that recently Philip Pettit (2006), in agreement with Winch (1978), convincingly highlighted the fact that “[compared with “Rousseau’s romanticized reworking of republicanism], Adam Smith was more faithful to classical republicanism, and inherently more persuasive, insisting that far from threatening republican freedom, the market could reduce dependency and domination. In a well-functioning labor market, for example, no one would depend on any particular master and so no one would be at the mercy of any master”<sup>10</sup>. Without doubt, statements like this one are highly illuminating, also for *modern times*.

## 6. Community of Fellows and Republican Freedom

Although the republican tradition affirms the ethical – and also ontological – priority of the individual sphere, it also emphasises that the exercise of understanding what we are, how we choose and carry out our life plans and how we evaluate their execution is one that is possible thanks to inter-subjective encounters in the bosom of a dynamic and plural, but in no case socially fractured, community. In fact, we need to find similarities

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<sup>10</sup> See also Casassas (2005).

between ourselves and the rest so as to be aware of who we are, what we want, what we do, how we do it, how happy we are, and how *self-realised* we are.

Hence, we have, for example, Smith's "men of the world", who are closer to the idea of *self-command* than *self-control*, closer to the idea of *pilotage*, of *phronesis* as Aristotle-style practical wisdom than to stoic-style self control. In effect, Smith's "men of the world" see other individuals as essential parameters in the definition of their life setting, their life plans and their position in the world.

As Philip Pettit (1993) suggests, republican moral psychology is compatible with the *individualist* thesis according to which human beings, far from resulting from a process of formation of beliefs and desires that is totally exogenous to their own conscience, constitute systems that enjoy full intentional autonomy, apart from the impact that the processes of socialisation might have on such beliefs and desires. But this does not imply that republican moral psychology denies the possibility of a dynamic unfolding, in a context of social interaction, of the attributes that shape the particular intentional psychologies – the identities – of individuals. On the contrary, Pettit defends a *holistic* view of social relations (as opposed to an *atomistic* view), according to which a good part of human capacities – and very particularly those that define human beings as *thinking* intentional systems, capable of submitting beliefs and desires to the constraints of rationality – constitutively depend on the chance of enjoying social relations<sup>11</sup>.

This is because we human beings do not want to be alone. The greatest evil of poverty, says Smith, is the obscurity of the indifference to which it condemns people. Yet indifference, Smith suggests as well, is also the greatest evil of wealth accumulated in excess, the worst evil that might befall someone who has moved too far from his or her *fellows*, gone mad, alienated by the craving to accumulate wealth beyond the *appropriate* levels, to use a typically Smithian term<sup>12</sup>: we cannot live in the quagmire of the ditch of the dispossessed, but neither can we live a bunker-like existence in the cemented opacity of the towers of opulence.

There can be no doubt that passages such as the one I reproduce below make it clear that, in the light of republican-rooted moral psychology, any vital option aimed at the frenetic and obstinately solitary accumulation of material wealth beyond *what is necessary*,

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<sup>11</sup> This analysis has been taken from Casassas and Larrinaga (2006)

<sup>12</sup> As might be observed, there is a kind of *theory of human needs* at work at this point, which, although it is taken up in a natural fashion by the classical school of economics, ends up completely extirpated from economic analysis after the Marginalist Revolution.

however legitimate that option might be considered, brings with it heavy psychological costs for those who make this choice. Smith says,

The poor man's son, whom heaven in its anger has visited with ambition, when he begins to look around him, admires the condition of the rich. He finds the cottage of his father too small for his accommodation, and fancies he should be lodged more at his ease in a palace. He is displeas'd with being oblig'd to walk a-foot, or to endure the fatigue of riding on horseback. He sees his superiors carried about in machines, and imagines that in one of these he could travel with less inconveniency. He feels himself naturally indolent, and willing to serve himself with his own hands as little as possible; and judges, that a numerous retinue of servants would save him from a great deal of trouble. He thinks if he had attained all these, he would sit still contentedly, and be quiet, enjoying himself in the thought of the happiness and tranquillity of his situation. He is enchanted with the distant idea of this felicity. It appears in his fancy like the life of some superior rank of beings, and, in order to arrive at it, he devotes himself for ever to the pursuit of wealth and greatness. To obtain the conveniences which these afford, he submits in the first year, nay in the first month of his application, to more fatigue of body and more uneasiness of mind than he could have suffered through the whole of his life from the want of them. (TMS, IV, I, 7-8)

Whatever the case, the fundamental lesson that the classic republican writers like Adam Smith have bequeathed to us is the awareness that the total unfolding, in appropriate settings and without obstacles or amputations, of all the mechanisms that shape our moral and psychic architecture, requires the *political guarantee of community* or, in other words, the political guarantee of the presence of *fellow citizens*, each one of whom is seen as capable of returning, full of information and meaning, a gaze that we have previously directed on his or her conduct from the standpoint of our own self-consciousness.

In effect, "humans as thinking intentional agents need to enjoy social relations in the bosom of a community that is politically constituted in such a way as to bestow upon its members an inalienable *position* or *social status* upon which depends, in turn, the possibility of rational exchanges that *establish* us as individuals. What is needed, in short, is a politically constituted community that fosters freedom understood as *absence of domination*, this being understood as the freedom an individual enjoys when he or she lives among other individuals and, thanks to a particular social and institutional design, nobody can

have the mere possibility of interfering in an arbitrary way (rather than in a rationally-agreed and indisputable manner) in the decisions that, anchored in his or her particular beliefs, he or she might take with regard to his or her own life plans.” (Casassas and Larrinaga, 2006).

## 7. Republicanism as Political Economy: Towards the *Preconditions* of Social Justice

Adam Smith’s “political economy” is far from being a “special case” that I have tried to insert, to greater or lesser effect, into the heart of the republican tradition. The fact is that thinkers like Smith help us to understand that republican tradition is, *per se*, *true political economy*.

I stated earlier that legitimate political institutions must necessarily define and reinforce a sphere of guaranteed autonomous social existence for all. Here, it needs to be stated as clearly as possible that republicanism is not an ethical-political scheme *with which a certain type of political economy might be associated*. It is not at all uncommon to find notions of republicanism that, first of all, overlook the need for *political* conquest of the *material requisites* for attaining human freedom in the *private sphere*, and that, second, ignore or even deny the role of these *material conditions – in private life –* in the articulation of a *public sphere* that is accessible to *individuals that are free in the civil sphere* and hence able to play an effective part in society as *citizens*. It is worth remembering that figures like Hannah Arendt, who were always willing to uphold a certain ideal of *vita activa in and for* the public sphere, went so far as to suggest that any intervention in the civil sphere to promote and protect individual freedom could only prepare the baneful ground in which the *origins of totalitarianism* take root.

It is not surprising, then, that when republicanism is understood thus it is possible to contemplate the possibility of *associating* with this ethical and political framework a *certain political economy*, in other words, one that is limited to a *certain* set of measures for *promoting the common good*, whatever that might be taken to mean. This is seen as a certain set of measures with a view to an appropriate coexistence (and eventual interaction) of public and private spheres.

Republicanism has never been anywhere near such postulates. Here, it bears repeating that republicanism is *true political economy* because its central concerns are:

- (1) studying *descriptively* the socioeconomic mechanisms that bring about domination in social life; and

- (2) promoting, *normatively* and *politically*, all measures – *firewalls* – that might ensure the maximum possible degree of material independence and freedom as absence of domination. Hence, it is at this point, and only then, when it acquires sense, goes into action and fully deploys the public sphere that it turns to the task of achieving and maintaining the “civil” character of “social life”.

Republican freedom, then, emerges once this kind of political economy is underway, *both in its normative and positive aspects*, with all the institutional implications that this might involve in each period, space and society.

What do these implications involve in the real world? In order to answer this with due diligence, I shall have to return to the series of questions I have already raised, especially in parts three and four of this paper. To be consistent with them, it must be stated that a republican *polity* must try to constitute a social regime in which the political institutions take on two tasks that have to be carried out jointly if they are both to have effective results.

(1) First, a *basic material ground* must be guaranteed to ensure that all members of the society enjoy an autonomous social life, and to strengthen thereby the *social position* of the least privileged (Pettit, 2006) by bestowing on them some degree of bargaining power for them to operate in the bosom of social life with real capacity “to do”. For reasons I have discussed in detail elsewhere (Casassas and Raventós, 2006), I am convinced that a *universal and unconditional Basic Income* is the best tool for guaranteeing this right to material existence in contemporary societies<sup>13</sup>.

(2) Second, non-arbitrary checks and legal restrictions need to be established so as to avoid great accumulations of private economic power that can both materially and civilly subjugate the most disadvantaged members of society; and pressure, erode and even *hijack* the *polity* so as to strip it of its capacity – and mission – of defining and promoting the public good. This can only lead to plutocratic tyranny.

As Bertomeu and Domènech (2006) make crystal clear, the historic origins of this second concern of the theory – and praxis – of republican policy go back a very long way:

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<sup>13</sup> The universal and unconditional nature of a Basic Income is of the greatest importance. In effect, the technical difficulties of the conditional subsidies that are considered within the framework of traditional welfare schemes create crucial political problems: the need for means and administrative controls constitutes the seed of arbitrary interference by public institutions and, hence, of greater degrees of domination – of *imperium*, in that case -. Besides, a *republican case for conditional subsidies* makes no sense because their *curative* nature disqualifies them as a tool for the promotion of freedom. If the aim is to create and consolidate individuals’ *social positions*, *ex-ante* subsidies are needed. In other words, those subsidies that come into effect *ex-post*, that is, once the situation of poverty is unavoidable, are incompatible with an ethical and political scheme for which poverty leads inevitably to a situation of lack of freedom – in a situation of deprivation, republicanism states, one tends to be at someone’s else mercy -.

“Consider the *Lex Sempronia Agraria* of the Gracchus brothers of the late Roman Republic, the aim of which was to put an end to the Roman landowning oligarchy (which was deemed a threat to the survival of the Republic), intervening with anti-alienatory measures (prohibition of buying, selling and donation) and with anti-accumulatory measures (impeding great differences) in land ownership. Consider, also, the true historic origins of tolerance in Europe [...]: the need of the powers-that-be to destroy at its roots the feudal economic power of [churches]”. Consider, we might add, the Tocquevillean republican ideal of a democracy embracing the political, social and economic spheres wherein “wealth is spread so that, while there is inequality, each individual or household has a high degree of independence” (White, 2006). Consider, finally, John Rawls’s criticism of Welfare-state capitalism, which “permits a small class to have a near monopoly of the means of production” (Rawls, 2001: 139): “Welfare-state capitalism [...] rejects the fair value of the political liberties, and while it has some concern for equality of opportunity, the policies necessary to achieve that are not followed. It permits very large inequalities in the ownership of real property (productive assets and natural resources) so that the control of the economy and much of political life rests in few hands” (Rawls, 2001: 137-8).

Thus, with regard to contemporary market societies, it must be stressed that there would be no particular threats to the freedom of individuals who engage in relations of exchange in the market if these markets were previously constituted in such a way as to prevent them from accommodating relations of domination born of inequalities of power – in particular contractual power – asymmetries of information, the imposition of entry barriers, and arbitrary price fixing, among other practices that imperil freedom and that lie on the very fact that individuals are not *independent social actors*.

Hence, as Stuart White points out, it should be emphasised that the “liberal” John Rawls both in *Theory of Justice* and *Justice as Fairness* attempted to translate into contemporary terms the “very republican” idea of a society formed by artisans and small property-owners who are free in material and civil terms. In Rawls’s analysis, this updating of the old Jeffersonian ideal requires: “(1) [the establishment of] “a background political system that respects the basic liberties, both personal and political; (2) an educational system that helps to secure fair equality of opportunity [...] by subsidizing private schools or by establishing a public school system; (3) anti-discrimination and related laws to help secure fair equality of opportunity; (4) a minimum income guarantee secured through ‘family allowances and special payments [...] or, more systematically, by such devices as a graded income supplement (a so-called negative income tax)’ (Rawls, 1999: 243); (5) taxation of wealth

transfers: the government should enact some form of taxation of gifts and inheritances, perhaps including a capital receipts tax, so as to ‘gradually and continually correct the distribution of wealth’ so that inequalities in inheritance ‘are to the advantage of the least fortunate and compatible with liberty and fair equality of opportunity’ (Rawls, 1999: 245); (6) an expenditure tax to raise revenues to meet social justice expenditures [...]; and (7) further taxation for provision of public goods subject to the (very demanding) condition that the tax arrangements are such that everyone, or just about everyone, is willing to consent to the resulting tax-public goods package” (White, 2006).

Note, then, that from the republican standpoint, *distributive justice* comes lower in the ranking of priorities than the *implementation of preconditions for the emergence of republican freedom* and hence for the progress of *social justice*. Herein lies the feature that distinguishes the republican standpoint from the set of ethical-political perspectives that have shaped contemporary political philosophy since 1971. In fact, for republicanism, this does not so much mean conceiving of a normative scheme to *distribute the social product* – or to *repair* unjust distributions – as introducing the necessary institutional mechanisms to confer upon individuals *social positions* that will guarantee the possibility of their carrying out their life plans in the absence of domination: the *result* of the *social play* is less important than the *socio-institutional conditions* on which it is based and from which it develops.

In the words of Bertomeu and Domènech (2006), “the republican tradition does not take distributive justice as the central focus of its normative attention, but rather the idea that the just distribution of the social product would be a result derived from its *principal attention to the problems of (greater or lesser) social extension of republican freedom* for socially regimented individuals, which is to say people who are institutionally distributed, by one means or another, among the different social classes comprising a [...] society”. The issue of *social justice*, then, is something that is settled – and *assured* – previously, *ex-ante*, that is, when the rules for governing an effectively civil society are formulated<sup>14</sup>. I refer, to go no further, to all the political and institutional measures and mechanisms, from Basic Income through to checking the large concentrations of private economic power, to which I have already referred in this section.

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<sup>14</sup> This is why John Schwarzmantel (2006) points out that “a just society [...] is one where domination is rendered structurally impossible, so that the harmful interference with individuals’ lives cannot take place”.

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