https://doi.org/10.70902/7npap031

Research article

Peter C. Mentzel
Liberty Fund

Charity's Visible Hand? Adam Smith's concept of Philanthropy[1]

Abstract

Most people associate Adam Smith with the concept of the "Invisible Hand" of market relations, or perhaps with the passage from The Wealth of Nations *remarking on the "self-interest" of the butcher, baker, and brewer as the source of our dinner. Those who only know Smith from such concepts might be surprised at the important—perhaps even crucial—role played in his overall sociology by the related concept of beneficence. Working with this concept, he develops a theory of charity. Though the word "philanthropy" occurs nowhere in Smith's massive oeuvre, "charity" appears frequently and is used in much the same way that we currently use the word "philanthropy." This paper will explore the relationship between these words as implied by Smith's writings. In the process, it will argue that Smith's understanding of charity is deeply imbricated with his concepts of beneficence and, yes, self-interest, and will examine how both of these work together within his vision of the importance of virtue in a good life.*

Key words: Charity, Adam Smith, Moral Sentiments, Philanthropy

"How selfish soever man may be supposed, there are evidently some principles in his nature, which interest him in the fortune of others, and render their happiness necessary to him, though he derives nothing from it except the pleasure of seeing it."[2] Thus begins Adam Smith's famous work *The Theory of Moral Sentiments* (hereafter *TMS*). In the pages that follow, Smith explores how our "sentiments," essentially our Human Nature, influence (if not actually determine) how we act in the company of our fellow human beings. In this paper, I will draw on Smith's sentimental philosophy as a way of exploring his ideas about charity and, by extension, philanthropy. Smith does not explicate a detailed, systematic theory of charity, to say nothing of philanthropy (a word he never uses), and the material in *TMS* and elsewhere that bears on the subject of charity is extremely complicated. As one scholar writing on the subject put it:

1 The author wishes to thank three anonymous reviewers, Dr. Douglas J. Den Uyl, Dr. Marty Sulek, and the participants at the Philanthropy and Human Flourishing conference held in May 2025 sponsored by the Institute for Philanthropy, LCC International University, Klaipeda, Lithuania for their comments, questions, and suggestions on an earlier draft of this paper. Any errors or omissions are my responsibility.

2 Adam Smith, *The Theory of Moral Sentiments* (hereafter *TMS)* (Indianapolis: Liberty Fund, 1984 [1759]), 9.

> "Smith's writings reveal a complex theory of charity which allows for both self-regarding and altruistic motives of donors, assigns a prominent role to recipient behavior as a determinant of charitable giving, and recognizes psychological, ethical, historical, social, as well as economic factors influencing the nature and level of charitable activity."[3]

While acknowledging the complexity of Smith's theory of charity, and the different "factors" involved in "charitable giving," this paper will argue that Smith indeed presents material for a coherent theory of charity based firmly on the centrality of our sentiments, especially the sentiment of benevolence.

This is a good place to explore in some detail the term "philanthropy," how it was understood in Smith's day, and how it relates to terms that Smith does use, such as "charity" and "benevolence." During Smith's day, the term philanthropy was understood (drawing on its Classical and Christian meanings) to mean "love of mankind." Indeed, Samuel Johnson's famous dictionary (published in 1755) defines philanthropy as: "love of mankind; good nature."[4] "Johnson's definition would set the standard for English usage of the term during the Enlightenment era, as something approximating a natural moral sentiment."[5] As noted above, Smith never uses the term "philanthropy," but, as we will see, he often refers to the "love of mankind," which he furthermore conceives of as a "natural moral sentiment," naming it "benevolence."

The link between "philanthropy," understood as a "love of mankind," and "charitable giving," emerged very soon after Smith's time, influenced by the deontological ethics of Emmanuel Kant (1724-1804), and by the middle of the nineteenth century, the older definition of philanthropy had been "almost entirely eclipsed by popular usage: either to describe a sociopolitical movement or to describe donating money to charitable institutions that embodied that movement."[6] Thus, we can see Smith's theory of "philanthropy" as investigated in this paper as a precursor to the philosophical evolution of the term to become almost synonymous with "charitable giving."

We can finish our introductory exploration of the background of Smith's approach to "philanthropy" by referencing the helpful taxonomy of philanthropic definitions as developed by Marty Sulek. Smith's understanding of philanthropy seems to draw on at least two of Sulek's categories. In particular, Smith seems to be drawing both on what Sulek describes as "Archaic" and "Ontological" approaches. The former "encompasses references to the literal meaning of philanthropy in ancient Greek as the love of mankind," while the latter approach seeks "to describe an innate desire, moral sentiment, psychological

---

3 Thomas D. Birch, "An Analysis of Adam Smith's Theory of Charity and the Problem of the Poor," *Eastern Economic Journal,* Vol.24, No.1 (Winter, 1998, 25-41), 25.

4 Marty Sulek, "On the Modern Meaning of Philanthropy," *Nonprofit and Voluntary Sector Quarterly,* Vol. 39, No.2, April 2010, 193-207), 196.

5 Ibid. 197.

6 Ibid, 198.

predisposition, or other such aspect of human nature that impels people to want to help others."[7] Smith's frequent use of the term "love of mankind," (or variations thereof) clearly partake of the "Literal" description of philanthropy, while his understanding of this love is rooted firmly in his theory of natural moral sentiments, as we shall see.

Before pursuing this "ontological" approach to Smith's understanding of charity, it is worth noting that Adam Smith, despite the superficial acquaintance many people have with him through knowledge of his "Invisible Hand" and the importance he places on Self-Interest (of which more later), was intensely interested in the plight of the poor. At the dawn of the Industrial Revolution, when technological developments and their repercussions were demolishing the older socioeconomic order, Smith emerged as a vocal and discerning advocate for the immiserated urban and rural poor. During the eighteenth century, as indeed, through most of human history, poverty was regarded as in some sense normal, "Providence" or "God's Will" having ordained that some people would be rich and some poor. By the eighteenth century, to this attitude had been added a sense that the poor lived in poverty as a result of some moral or physical inferiorities. That is, the material poverty of the poor reflected some physical and, more importantly, moral impoverishment. Thus, the prevalent feeling about poverty was that it was the result of the moral turpitude, intemperance, and licentiousness of the poor themselves. Underlying Smith's investigation of charity and beneficence is his firm conviction that this is a faulty and deeply erroneous position. In the *Wealth of Nations* and elsewhere, he constantly works to debunk such attitudes and perceptions, arguing that the poor are, in general, no more immoral than their societal "betters." In particular, he is insistent that they actually work harder than people higher on the socio-economic ladder and have the same overall intellectual and moral capacities as well. As one Smith scholar summed up Smith's attitudes toward the poor, "In the context of the eighteenth century, then, Smith presents a remarkably dignified picture of the poor, a picture in which they make choices every bit as respectable as those of their social superiors – a picture, therefore, in which there really are no 'inferiors' and 'superiors' at all."[8]

So, having established Smith's interest in the problem of poverty, we can now turn to his views on charitable giving with an aim to construct a Smithian theory of philanthropy. To do this, it is probably best to start with a brief examination of his overall philosophical architecture.

---

7 Marty Sulek, "On the Modern Meaning of Philanthropy," *Nonprofit and Voluntary Sector Quarterly,* Vol. 39, No.2, April 2010, 193-207), 204. Emphasis mine.

8 Samuel Fleischacker, *On Adam Smith's* Wealth of Nations*: A Philosophical Companion* (Princeton: Princeton University Press, 2004), 207.

Fellow-Feeling, Self-Interest, and Praise

While this is certainly not the place to present a detailed explication of Smith's thinking about Human Nature, much less an overview of his work on the subject in his *Theory of Moral Sentiments*, a very brief review of some of his main points will be useful in our investigation of his attitudes toward charity.

Smith postulated a number of basic attributes to all humans. Among the most important of these, one is self-interest while another is what he calls "fellow feeling." Fellow-feeling plays a very important part in Smith's moral philosophy. "Our fellow-feeling for the misery of others, that it is by changing places in fancy with the sufferer, that we come either to conceive or to be affected by what he feels."[9] Thus, fellow-feeling is an innate part of human nature. It is worth emphasizing that fellow-feeling operates largely at the level of imagination. As one scholar observed, "Although fellow-feeling is often sparked by an instinctive emotional response, it develops more generally from an ability to imagine how one would feel *if* placed in another person's circumstances."[10]

But Smith observes that, while contemplating an act of generosity or charity, one's fellow-feeling frequently confronts another aspect of our nature, our self-interest. It should be emphasized in this context that self-interest is not a vice, it is simply part of our nature. For Smith, furthermore, "self-interest is the foundation not just of economic order, but, along with sympathy, for the moral order on which the larger economic order rests."[11] Smith goes on, however, to draw a sharp distinction between self-interest and *selfishness*. We will revisit this distinction later, but for the time being we might sum up the difference by noting that "self-interest is …consistent with justice and propriety. Selfishness, the desire to better oneself without regard to even the demands of justice, is not."[12]

According to Smith, we can achieve a balance between our self-interest and our fellow-feeling by cultivating what he calls our "self-command." As one scholar put it, "Moderating egoism, according to Smith, is self-command, the capacity to bend and moderate selfish desires through sensitivity to the feelings of others. Specifically, we wish to lead lives that are not only well-provisioned but to some degree admirable. And to be worthy of admiration, we must take a sincere interest in the welfare of others."[13] To put it perhaps more

---

9 *TMS,* 10.

10 Birch, "Charity," 27. Emphasis in original.

11 Lauren Hall, "Self-Interest Rightly Understood," (https://www.adamsmithworks.org/documents/self-interest-rightly-understood) *Adam Smith Works.* October 1, 2018.

12 Ibid.

13 Richard Gunderman, "Smith and Aristotle on Owing and Giving," *Adam Smith Works* (https://www.adamsmithworks.org/documents/gunderman-smith-aristotle-owing-giving) April 10, 2024, 6.

directly, "self command is the ability to govern any type of passion, however, in terms of altruistic charitable behavior, it refers to the ability to control or moderate selfish desires."[14]

But how are we to know when our self-command has been successful in balancing our self interest and our fellow feeling? And perhaps more importantly why should we want to do this? As Smith himself asks: "When our passive feelings are almost always so sordid and so selfish, how comes it that our active principles should often be so generous and noble? When we are always so much more deeply affected by whatever concerns ourselves, than by whatever concerns other men; what is it which prompts the generous, upon all occasions, and the mean upon many, to sacrifice their own interests to the greater interest of others?" Smith answers a few lines later: "It is not the love of our neighbor, it is not the love of mankind, which upon many occasions prompts us to the practice of those divine virtues. It is a stronger love, a more powerful affection, which generally takes place upon such occasions; the love of what is honorable and noble, of the grandeur, and dignity, and superiority of our own characters."[15] This is a very important passage for our purposes. Note that Smith clearly states that "love of mankind," (i.e., philanthropy) is *not*, generally, the source of beneficent actions. Rather, these are rooted in the love of what is virtuous in ourselves. Of course, the "honorable and noble" aspects of our "own characters" seem likely to be tied somehow to the sentiment of benevolence, and thus linked in a round about way back to "the love of mankind." But Smith seems to want to draw a distinction here between them.

But this all poses yet another question: Why, exactly, does the love of the "honorable and noble" in our "own characters" have the power to bolster our powers of self-command to balance our fellow-feeling with our selfishness and thus to produce acts of beneficence and charitable generosity towards others?

Smith's answer is rooted in the psychological architecture he constructed elsewhere in *TMS*. Most importantly, as mentioned earlier, human beings want to be admirable. Or, in Smith's words, "Man naturally desires, not only to be loved, but to be lovely; or to be that thing which is the natural and proper object of love…He desires not only praise, but praise-worthiness; or to be that thing which, though it should be praised by nobody is, however, the natural and proper object of praise."[16] In other words, we love the "grandeur, superiority and dignity of our own characters" because these make us praise-worthy, especially since our acts of "loveliness" might be "praised by nobody".

But how do we know that our acts of beneficence, motivated out of selfless fellow-feeling, are praise-worthy? Here again, we have to rely on Smith's ideas about human psychology: "Nature seemingly has endowed him

---

14 Birch, "Charity," 27.
15 *TMS,* 137.
16 *TMS,* 113-114.

[i.e., any human being] not only with a desire of being approved of, but a desire of being what ought to be approved of, or of being what he himself approves of in other men."[17] Hence, "praise" as such is not the object, that is to say, even if no other person actually praises us, we want our actions to be worthy of praise; we want to feel the "grandeur and dignity" of our characters. Importantly, Smith says little about the praise of other people in his discussion about self-interest, fellow feeling and self-command. Where, then, does our feeling of praise-worthiness ultimately come from? Smith tells us that the "natural misrepresentations of self-love can be corrected only by the eye of [the] impartial spectator."[18] Who, or what, is this?

Smith describes the impartial spectator this way: "We endeavor to examine our own conduct as we imagine any other fair and impartial spectator would examine it. If, upon placing ourselves in his situation, we thoroughly enter into all the passions and motives which influenced if we approve of it, by sympathy with the approbation of the supposed equitable judge. If otherwise, we enter into his disapprobation, and condemn it."[19]

It is crucially important here to emphasize that what we really want is not necessarily the praise of other people (though we generally want that too) but the praise of the impartial spectator. Smith spends considerable time developing this point, but one passage seems particularly clear in this regard: "If in this view [i.e., the view of the impartial spectator] [our action] pleases us, we are tolerably satisfied. We can be more indifferent about the applause, and, in some measure, despite the censure of the world; secure that, however misunderstood or misrepresented, we are the natural and proper objects of approbation."[20] In other words, not only is the praise of the impartial spectator superior to the praise of actual people, in some cases it can even trump their disapproval or indifference of an action. Similarly, we do not (or at least should not) value praise when it is given to us undeservedly or mistakenly. As Smith put it: "The most sincere praise can give little pleasure when it cannot be considered as some sort of proof of praise worthiness. It is by no means sufficient that, from ignorance or mistake, esteem and admiration should, in some way or other, be bestowed upon us."[21] Likewise, we should not praise other people when they do not deserve it or

17 *TMS,* 117.
18 *TMS,* 137.
19 *TMS,* 110.
20 *TMS,* 112.
21 *TMS*, 114.

when it is misplaced.[22]

Hence, we have now at least established that, according to Smith, what we want from the impartial spectator is praise. This is extremely important for Smith, who argues that what people want most of all is praise, not only from their fellow humans, but even more importantly from the impartial spectator. He puts this very forcefully when he states, "No action can properly be called virtuous, which is not accompanied with the sentiment of self-approbation."[23] Hence, we want to be praise-worthy, even if we are not actually praised. We want the praise of the impartial spectator, assuring us that we are virtuous.

This insight helps explain acts of generosity or charitable giving that are otherwise hard to account for. Anonymous gifts or bequests, for example, are difficult to explain if the goal of beneficence is praise from others, but easy if we consider it praise-worthy, and thus deserving of praise from the impartial spectator. With this observation we return to the opening quotation in this paper (and the first passage in *TMS*). One way, perhaps the only way, that we become praise-worthy, i.e.,"worthy of admiration", is by taking an interest in the "welfare of others."

One is here reminded of Smith's famous story of the "butcher, baker, and brewer" in the *Wealth of Nations*.[24] They have obvious material self-interests in providing our dinner. But these are only part, and perhaps only a small part, of their self-interestedness. In "moderating [their] egoism" they also have an interest, perhaps equal to or even greater than then material interest, in being praise-worthy in the eyes of the impartial spectator. Beneficent, charitable acts can induce praise from the recipients, but perhaps even more importantly they are *praise-worthy* in eyes of an "impartial spectator." Hence, charitable acts, while growing out of the natural human sentiment of benevolence, also are in our self-interest, insofar as they satisfy our need for adulation, even if it is "only" from our internal impartial spectator. As Smith noted in the opening of *TMS*, we get pleasure from seeing the happiness of others. Thus, fostering such happiness is not only altruistic but self-regarding. It is worth emphasizing here that our story of the tradesmen providing our dinner provides yet another important example of Smith's distinction between self-interest and selfishness.

---

22 Interestingly, despite some superficial similarities, the impartial spectator does not seem to be the same thing as "conscience." Smith uses both terms, as well as a third related concept that he calls "the man within the breast," to describe some sort of internal mechanism of self-approbation or reproach, but they seem to be distinct things, rather than simply different terms for the same thing. For a fuller explication (with which I largely agree) of the relationship in *TMS* between conscience, the impartial spectator, and the man within the breast, see Douglas J. DenUyl, "Impartial Spectating and the Price Analogy," *Econ Journal Watch*, Vol. 13, No.2, (May 2016), 1-9.

23 *TMS,* 178.

24 Adam Smith. *An Inquiry into the Nature and Causes of the Wealth of Nations.* (Indianapolis: Liberty Fund, 1976 [1776]), 27. "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."

"The impartial spectator, impartial as he is, draws a sharp line between self-interest that is neutral in its effects on others and self-interest that harms others to benefit oneself.[25] As Smith himself put it: "To disturb his [our neighbor's] happiness merely because it stands in the way of our own, to take from him what is of real use to him merely because it may be of equal or of more use to us, or to indulge in this manner, at the expense of other people, the natural preference which every man has for his own happiness above that of other people, is what no impartial spectator can go along with."[26] Our butcher, baker, and brewer expressed their self-interest in a manner that was at least "neutral," and in any case certainly not selfish, according to Smith's view.

The Sentiments and Virtues

So far, we have a rudimentary theory of charity built around a balance of self-interest and fellow-feeling. This balance is moderated by our sense of self command, with a goal of being praise worthy.[27] Thus, in a fascinating way, Smith's theory of charity encompasses both altruistic and self-regarding aspects. That is, we carry out charitable acts both because of our innate fellow-feeling, and because doing so makes us feel praise-worthy in the eyes of the impartial spectator. So far so good, we might say. But only a little reflection raises a whole host of questions, perhaps the most obvious of which involves the foundations for these attributes of human nature. Smith, along with philosophers such as his teacher Frances Hutcheson (1694-1746), argued that, alongside our various passions and appetites, human beings also had certain innate feelings and attitudes, that he termed "sentiments," that lie behind our actions. Among these are the sentiments of resentment and benevolence. These are present in all normal people by virtue of their humanity. The sentiments influence our actions, for better or worse. That is, most sentiments can produce both virtuous and vicious behavior. For example, resentment can lead us to behave in hurtful and vengeful ways, but it is also at the root of the virtue of justice, without which (according to Smith) society would be impossible. Most of the sentiments lead to virtuous acts only if they are tempered somehow, as we shall see shortly. In this sense, the sentiment of benevolence is unusual. The virtue it tends to, beneficence (from which spring generous and charitable works), is not essential to societal functioning (according to Smith), but is necessary to a "happy society." As he puts it, "…though among the different members of the society there should be no mutual love and affection [i.e., no beneficence], the society, though less happy and agreeable, will not necessarily

---

25 Hall, p.3

26 *TMS*, 82

27 Importantly, Smith's work on *The Theory of Moral Sentiments* was provoked, at least in part, by the popularity of Bernard Mandeville's *The Fable of the Bees (*1714), which argues that private *vices,* not virtues, are the source of public good.

be dissolved."[28] Indeed, "It [beneficence] is the ornament which embellishes, not the foundation which supports, the building".[29] Smith sums this relationship up thus: "Beneficence is, therefore, less essential to the existence of society than justice. Society may subsist, though not in the most comfortable state, without beneficence; but the prevalence of injustice must utterly destroy it."[30]

This difference between justice and beneficence has another interesting dimension. The virtue of justice, since it is crucial to the maintenance of society, can, indeed must, be enforced. "The violation of justice is injury: it does real and positive hurt to some particular persons."[31] Beneficence is a very different virtue. "Beneficence is always free, it cannot be extorted by force, the mere want of it exposes to no punishment; because the mere want of beneficence tends to do no real positive evil."[32] So, the virtue of beneficence cannot be compelled and is not, strictly speaking, necessary for the maintenance of society. Smith returns to this point in his Lectures on Jurisprudence, "As now men are only bound not to hurt one another and to act fairly and justly in their dealing, but are not compelled to any acts of benevolence, which are left intirely [sic] to his own good will."[33] Yet, as the opening of the *TMS* states, people in general are drawn to perform acts of beneficence because they derive "pleasure from seeing" them.

Thus, inspired by our fellow-feeling, acting on the virtue of beneficence, itself rooted in the sentiment of benevolence, leads us to acts of charitable generosity and thus leads the impartial spectator to praise us, thereby giving us pleasure. The entire happy process is made possible by our self-command keeping our self-interest moderated.

Justice, Duty, and other Problems

But, of course, this tidy explication of Smith's theory of charity raises a number of questions and challenges, some of which Smith himself seems to be aware. Perhaps one (or two depending on the way one counts them) is the challenge posed to his sentimental view of beneficence by the importance of justice and duty.

Some scholars have argued that Smith regarded charity not only as a product of the virtue of beneficence, but that of justice, thus making charity a

---

28 *TMS,* 86.
29 *TMS,* 86.
30 *TMS,* 86.
31 *TMS,* 79.
32 *TMS*, 78.
33 *Lectures on Jurisprudence,* Report of 1763, p.172). Also from the *Lectures:* "The law hinders the doing of injuries to others, but there can be no fixed laws for acts of benevolence." (Report of 1766, p.449)

duty.[34] And if charity is indeed derived from the virtue of justice, then it ought to be in some way enforceable, since, as Smith argues so forcefully, justice is essential to the functioning of society. Some scholars tie this into an argument for the public (i.e., State) provision of welfare.[35] Indeed, most of the scholarly work on Smith's approach to charity has focused largely on this interesting tension that is implied between the virtues of justice and beneficence. As we have discussed earlier, according to Smith, while the virtue of justice is crucial to the very maintenance of human society, beneficence is not. Throughout *TMS*, Smith stresses that beneficence is a very different virtue from justice. Yet, occasionally he seems to leave the door open for some sort of mixing of the two. In his discussion on Virtue, Smith comments on the category of *justitia attributrix* in the legal work of Hugo Grotius, saying that one sense of the word Justice "coincides with what some have called distributive justice…which consists in proper beneficence, in the becoming use of what is our own, and in the applying it to those purposes either of charity or generosity, to which it is most suitable, in our situation, that it should be applied."[36] This passage opens up some intriguing possibilities. Elsewhere in *TMS*, as we have seen, Smith stresses that beneficence is at the root of a "happy" society, whereas justice is essential for the existence of society itself. From this, it seems to follow that while justice can be coerced by authority, beneficence cannot (or should not). But, if a case can be made that beneficent charitable giving is somehow connected to justice, then it could conceivably be something enforceable, like other just actions.

Having said all this, it should be noted that Smith's comments on "distributive justice" and its relationship to beneficence are situated in the context of his review of different philosophers' (especially Plato's and Aristotle's) approaches to the virtues, including justice. Thus, it is not at all clear whether Smith himself actually ascribes to the view that "justice" entails a "positive" (e.g., it is just to give to charity), as opposed to a strictly "negative" (i.e., justice means not harming others) aspect. Earlier in the quoted passage, Smith himself notes that the way he has been using the term "justice" is in exactly this "negative" sense: "…in the sense we are said to do justice to our neighbor when we abstain from doing him any positive harm, and do not directly hurt him, either in his person, in his estate, or in his reputation." This

---

34 As part of a general investigation of the relationship between justice and charity, Douglas J. Den Uyl observes, "…it would seem that we require some sort of distinction between justice and charity to help us separate what is owed from what may be freely given…" "The Right to Welfare and the Virtue of Charity," *Social Philosophy and Policy,* vol.10, no.1 (1993), 192-224. 202

35 For example, "[Smith] did not think that redirecting resources to help the poor was in principle beyond either the capacity or the rightful province of the state." Fleischaker, 226. "…a modern welfare-theoretic case for government intervention on behalf of the poor can be constructed from Smith's writings." Birch, "Charity," 38.

36 *TMS*, 269-270.

parsimonious definition of justice would seem to foreclose an interpretation whereby it would play a significant role in charitable giving.

The discussion of the place of justice in Smith's theory of charity is closely related to the role of duty in carrying out charitable or generous acts. In fact, as part of his comparative discussion of justice and beneficence, Smith hints that we may have a duty of beneficence. Concluding a discussion of gratitude, and how it is impossible to enforce, Smith nevertheless stresses that "of all the *duties of beneficence*, those which gratitude recommends to us approach nearest to what is called a perfect and complete obligation."[37] This seems to imply that beneficence implies certain duties. Duty is certainly important to Smith. Most of Part III of *TMS* is devoted to an investigation of duty. Yet, surprisingly little therein is to be found directly related to the virtue of beneficence or the sentiment of benevolence, and even less to generosity and charity. Interestingly, in fact, actions that appear generous or beneficent, which are in actuality motivated solely by a sense of duty, are somewhat disparaged by Smith. For example, he discusses the gratitude of someone (we might here recall the passage quoted above about gratitude being the most important of the duties of beneficence) who thanks his friend for help, but only out of a sense of duty. He also uses the example of a wife who, while "careful, officious, faithful, and sincere," and "deficient in none of those attentions which the sentiment of conjugal affection could have prompted her to perform" nevertheless acts out these beneficent qualities only out of a sense of duty. Smith makes it clear that such cases represent a kind of "second best." "Such a friend, and such a wife, are neither of them, undoubtedly, the very best of their kinds; and though both of them may have the most serious and earnest desire to fulfill every part of their duty, yet they will fail in many nice and delicate regards, they will miss many opportunities of obliging, which they could never have overlooked if they had possessed the sentiment [benevolence?] that is proper to their situation."[38]

Hence, it would seem that a sense of justice and an attention to duty might play some sort of role in Smith's theory of charity, though it also seems clear that this would be, at best, a kind of supporting one and not a major part. To put it another way, in trying to formulate a coherent approach to Smith's concept of charity, we can and should still rely primarily on his sentimental philosophy, especially his understanding of benevolence and beneficence.

Toward a Smithian Theory of Charity…and Philanthropy?

So far, we have sketched out the outlines for a theory of charity, relying heavily on Smith's sentimental moral philosophy and his rudimentary

37 *TMS*, 79. Emphasis mine.
38 *TMS*, 162.

reflections on human psychology. Smith sees the sentiment of benevolence as naturally present in all normal human beings. Benevolence moves us to act in beneficent ways, and we know when our beneficence is praise-worthy from the adulation we receive from our impartial spectators. So far, this account maps on closely to Smith's treatment of other virtuous actions. As noted above, when we act justly (or observe justice being done), we feel praise-worthy ourselves (or want to praise others for being just). And to the extent that justice has been achieved, that the parties involved have received their just deserts, we recognize success. But what sort of a virtue is beneficence? The impartial spectator will praise us when we have acted beneficently, and he will presumably praise us increasingly as we act increasingly beneficently. But is there a limit to this praise-worthiness? We know (or think we know) when justice has been done in a particular case. But how do we know if we have been sufficiently beneficent in a particular case? I might feel moved by the plight of sick children (my fellow-feeling for them), and my sentiment of benevolence might spur me to act beneficently and donate money; a virtuous action that the impartial spectator should praise me for. But how do I know how much to donate? Smith himself is not quite clear about this.

Similarly, Smith's theory of charity does not seem to give much guidance about the objects of our charity. How do we judge between different kinds of charitable acts? If I want to give $100 to a good cause, do I give it to the children's hospital? The local opera company? A poor homeless person? Smith is clear that justice should be proportional to the act.[39] That is, the impartial spectator will (or should) chasten us if our feelings of resentment provoke us to implement a punishment out of proportion to whatever harm has been committed. But how does the impartial spectator help us determine whether our beneficent act is proportional to the need?

Along similar lines, we might also confront the question of "deserving" and "undeserving" potential claimants to our beneficent charitable giving. For example, while it is surely praise-worthy to give money to a homeless person, will the impartial spectator praise us more if the homeless person is in her condition due to a horrible series of tragic accidents, or if she is a shiftless drug-addict. Does it make any difference? Similarly, is it more praise-worthy to give this person cash or, say, a coupon for a meal?

The implication seems to be that each person's impartial spectator will provide guidance on these questions. In so doing, it will surely be aided by another of Smith's virtues, prudence. While Smith himself does not involve prudence directly in the business of charity, he says something like this in

---

39 "They [i.e. people in general] readily, therefore, sympathize with the natural resentment of the injured, and the offender becomes the object of their hatred and indignation…As the greater and more irreparable the evil that is done, the resentment of the sufferer runs naturally the higher, so does likewise the sympathetic indignation of the spectator…" *TMS*, 83-84.

the context of his general explication of the virtue of prudence:

> "But though the virtues of prudence, justice, and beneficence, may, upon different occasions, be recommended to us almost equally by two different principles; those of self-command are, upon most occasions, principally and almost entirely recommended to us by one; by the sense of propriety, by regard to the sentiments of the supposed impartial spectator."[40]

This quote seems to suggest that, while we act in such a way to be praise-worthy in the estimation of the impartial spectator, some element of that praise-worthiness is based on acting prudentially within the confines of propriety. Hence, for example, the impartial spectator will surely praise me for acting beneficently by, for example, giving money to a shelter for battered women. But what if I decide to empty my bank account and liquidate my property holdings to do so? The impartial spectator in this case might well consider what I am doing to be imprudent, even reckless. In this case, the otherwise praise-worthy act of donating to the shelter is mitigated by the endangerment of myself and my family.

We find an echo of this cautionary way of thinking about beneficence when Smith states: "The administration of the great system of the universe, however, the care of the universal happiness of all rational and sensible beings, is the business of God, and not of man. To man is allotted a much humbler department, but one much more suitable to the weakness of his powers, and to the narrowness of his comprehension; the care of his own happiness, of that of his family, his friends, his country."[41] The implication here is that before we worry about the "universal happiness" of mankind, we should first make sure that our own house is in order and that we have provided for ourselves, our family, and our friends.

Ultimately, since beneficence is a virtue that Smith states is "ornamental" to society and not necessary for its maintenance ("only" for its happiness), then one might say that *any* amount of charitable giving is enough. Smith might well have been quiet on the issue of how much or what kind of charitable contributions to make to a particular person or cause because this was, for him, more-or-less beside the point. He was more interested in figuring out *why* people are charitable and generous in the first place, when such actions are, on the face of it, counter to our self-love, which is so obviously manifest that it does not require any great philosophical explanation.

Finally, I want to end by coming back to Sulek's taxonomy of philanthropy and where Smith fits. At the outset of the paper, I suggested by Smith approach is "ontological" within the Sulekian framework. Further work on what an ontological approach to philanthropy entails might suggest further ways that Smith's theory of charity might be elucidated and developed.

---

40 *TMS,* 262.

41 *TMS*, p.237

About the Author

Peter C. Mentzel, Ph.D., was a professor in the Department of History at Utah State University from 1995 to 2008. Since then, he has been a Senior Fellow at Liberty Fund. His scholarly research focuses on nationalism and modernization in Southeastern Europe and the Middle East, as well as European intellectual history. He has published many articles, book reviews, and book chapters. He is the author or editor of several books, including A Traveler's History of Venice, Transportation Technology and Imperialism in the Ottoman Empire, and For God and Country: Essays on Religion and Nationalism.

Bibliography

Birch, Thomas D. "An Analysis of Adam Smith's Theory of Charity and the Problem of the Poor," *Eastern Economic Journal,* Vol.24, No.1 (Winter, 1998), 25-41.

Den Uyl, Douglas J. "The Right to Welfare and the Virtue of Charity," *Social Philosophy and Policy,* Vol.10, No.1 (1993), 192-224.

Den Uyl, Douglas J. "Impartial Spectating and the Price Analogy," *Econ Journal Watch*, Vol. 13, No.2, (May 2016), 1-9.

Fleischacker, Samuel. *On Adam Smith's Wealth of Nations: A Philosophical Companion* (Princeton: Princeton University Press, 2004).

Hall, Lauren. "Self-Interest Rightly Understood," *Adam Smith Works* (https://www.adamsmithworks.org/documents/self-interest-rightly-understood) October 1, 2018.

Gunderman, Richard. "Smith and Aristotle on Owing and Giving," *Adam Smith Works* (https://www.adamsmithworks.org/documents/gunderman-smith-aristotle-owing-giving) April 10, 2024.

Smith, Adam. *An Inquiry into the Nature and Causes of the Wealth of Nations.* Indianapolis, Liberty Fund, 1976 (1776).

Smith, Adam. *Lectures on Jurisprudence,* Indianapolis, Liberty Fund, 1982 (1763)

Smith, Adam. *The Theory of Moral Sentiments*. D.D.Raphael and A.L.Macfie, eds. Indianapolis: Liberty Fund, 1984 (1759).

Sulek, Marty. "On the Modern Meaning of Philanthropy," *Nonprofit and Voluntary Sector Quarterly,* Vol. 39, No.2, April 2010, 193-207.