

WHY DID THE ECONOMIST CROSS THE ROAD? THE HIERARCHICAL LOGIC OF ETHICAL AND ECONOMIC REASONING

ANDREW YUENGERT

Pepperdine University

Abstract

The debate over whether or not economics is value-free has focused on the fact-value distinction: “is” does not imply “ought.” This paper approaches the role of ethics in economics from a Thomistic perspective, focusing not on the content of economic analysis, but on the actions taken by economic researchers. Positive economics, when it satisfies Aristotle’s definition of technique, enjoys a certain autonomy from ethics, an autonomy limited by a technique’s dependence for guidance and justification on ethical reflection. The modern isolation of technique from ultimate ends entails the risk of mistaking the proximate ends of economics for ultimate ends, especially when applying economic methods in new ways or to new social phenomena.

“Science has no goals. Only individuals have goals.” – Ronald Coase

1. INTRODUCTION

The old joke about why the chicken crossed the road is too familiar to be funny any more, but it is worth asking why it ever was funny. It is funny because the punchline (to get to the other side) is unexpected; it is obviously true, but incomplete. We expect the punchline to tell us *why* the chicken wanted to get to the other side – in order to see a man lay bricks, for example. This answer is still incomplete, in much the same way as the first answer was; we might still ask why the chicken wants to see a man lay bricks. If the answer to this question is that the chicken has never seen a man lay a brick, we might ask again why the chicken

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should want to see something that it has not seen before. The answer to this next question may be “because variety is the spice of life”. At this point, since the chicken appears to seek variety for its own sake, there are no further questions to be asked, unless we wish to dispute the desirability of variety.

Each of the answers given above, except perhaps the last, is incomplete in some way. If the chicken’s behavior is rationally directed toward a set of ordered ends, then the full meaning of the action “cross the road” can only be discovered within this hierarchically ordered reason. Each answer reveals a goal or end, some of which are ultimate ends, but many of which are themselves subordinate means to some further end. The chicken would not cross the road if the bricklayer were not laying bricks on the other side; similarly, he would not watch the man lay bricks if he had seen such a thing many times before.

Chickens do not display human rationality, of course – the one in the joke may well be simply trying to get to the other side, without any further end in sight. The point of the joke, nevertheless, is that humans, being rational, look for a fully rational explanation. A chicken crossing the road without purpose may not be notable; a person who cannot give a full, hierarchical explanation of his own road crossing might reasonably be described as a chicken running around with his head cut off. Any explanation of human action which breaks off short of a more extensive account of the motivation of the acting human agent is incomplete and, we suspect, unexamined.

This seeking for explanation and justification for action is quint-essentially human. Our inquiring minds are seldom satisfied with incomplete accounts, such as “to get to the other side”. This is particularly true for scholarship, including economic research. Scholars, more than other humans, are supposed to subject everything to reasoned inquiry. When economists posit theories, specify models, collect data, and estimate empirical relationships, they are in pursuit of ordered ends. They often find themselves giving an account both of the desirability of the ends as well as the suitability of the means of their research. A labor economist runs a regression to discover the effects of job training programs on the subsequent employment of the trainee; he desires to discover the effect of job training in order to advise lawmakers on the desirability of public investment in job training programs; these programs, if effective, should be publicly funded in order to alleviate the hardships of inner city youth, and so on.

This hierarchical account of human action is the basis for Thomistic moral philosophy. The purpose of this article is to explain the Thomistic approach to human behavior and its moral implications, and to use it to shed some light on the positive-normative split in economics. Economists, as a result of their training, give truncated justifications for their

activities as economists, often out of fear that “ethical” considerations will distort their methods and render their conclusions unscientific. The Thomistic account of their behavior grants a real but limited autonomy to the economist’s activities *qua economist*, but places the economist’s analysis within a commonsense moral framework, within which the implications of ethical considerations for economics can be fruitfully discerned.

Within the Thomistic framework, the actions of economists *qua economist* cannot be completely separated from their actions *qua human being*. Human action, as defined in the Thomistic tradition, is oriented toward a chain of ordered ends. This definition includes the actions of researchers. The methodological ends of economists have the status of ends only in light of the ends which they themselves serve, whether those ends be humanitarian (alleviate poverty) or self-interested (earn a good living).

To the extent that the pursuit of the proximate ends of economics has been formalized into a fixed method, it is a technique, and the Thomistic tradition grants it a limited autonomy from the ends which motivate it. The autonomy is not complete, however. If the researcher’s ends are separated completely from the higher ends which direct it, he will either substitute the goals of economics for those higher ends, or risk conducting research that has no intelligible principle guiding it. This risk is greatest in the modern social context, in which the narrative of market exchange makes the connections between ultimate and proximate ends less clear.

Note that I am not interested in the morality of models or estimation techniques – the morality of the abstraction *homo economicus*, for example – since intellectual constructs are not in themselves good or evil in the same way that human action is. Neither am I seeking to analyze the morality of economic behavior, or the role of morality in the economy. The object of the analysis will be the behavior of economists going about the ordinary business of their lives – theoretical and empirical research, and application. The analysis is a formal one – it does not depend on Aquinas’s or Aristotle’s arguments locating the good life in beatitude or virtue, but relies instead on Aquinas’s exploration of the nature of practical reasoning. Thomistic analysis of the human act makes clear the ways in which we make “should” statements about economists – about the direction and content of economic research, and the advice economists give.¹

Recent work (Weston, 1994 and Hausman and McPherson, 1996) has maintained the positive-normative distinction, at the same time rejecting the fact-value distinction as its basis and justification. By approaching

¹ This point is also made by Crespo (1998).

the ethics-economics split from a neglected direction, whose focus is the reasoned actions of researchers, the Thomistic framework offers a balanced, coherent account of the positive-normative distinction which need not rely on the fact-value distinction.

2. THE THOMISTIC ACCOUNT OF THE HUMAN ACT

The Human Act: Rationality and Morality

"Choose instruments that are uncorrelated with the dependent variable."

"Do not trade with a country which oppresses its own people."

To the modern scientific mind, these two prescriptive statements are of different types. The first belongs to the set of technical prescriptions; the second belongs to the set of moral prescriptions. There are good reasons for this division; nevertheless, it should not blind us to the essential similarity of the two statements.

The prescriptive force of each statement can only be grasped by an understanding of the goals advanced by the prescription. Uncorrelated instruments are desirable because they advance the goal of consistent estimation; the refusal to trade with oppressive regimes is supposed to express a commitment to freedom, and to pressure an oppressive government to liberalize. In each case, the ends pursued provide the only context within which the prescriptive force of the statement can be understood, and either assented to or repudiated. Indeed, effective arguments against either of these statements must take one of two forms: either the proposed action does not, in fact, advance the implicit goal, or the implicit goal is not, in fact, good.²

Viewed from this perspective, prescriptive statements about technical matters and prescriptive statements about moral matters are similar and share the same logical structure: both advise the listener how to achieve a particular end. Although the ends of the technical statement (consistency) may be less controversial than the ends of the moral statement (do not abet oppression), both statements draw their moral force, their "oughtness", from the desirability of the end in question and the efficiency with which the prescribed action achieves its end.

This basic structure of prescriptive reasoning is the starting point for the moral philosophy of Aristotle and Thomas Aquinas. Both arrive at this account of moral reasoning in the course of reflection about what it means to reason well about action. In order to reason well about human action, it is necessary to understand what a human act is and what it

² There is, in fact, a third possible objection, that the proposed action is by its very nature inimical to some other, ultimate good, even if it advances some subordinate good. See, for example, Finnis (1991), Etzioni (1988).

means to act humanly well. We must begin with an account of excellence,³ as applied to human acts.

In Aquinas, excellence, both in a narrow sense (an excellent flute player) and in a broader, moral sense (an excellent person), is defined relative to function.⁴ A watch is an excellent watch if it does what a watch should do, in the way that a watch should – if it mechanically keeps the time accurately, with a minimum of fuss. Similarly, a human being is excellent if he or she acts the way a human should to achieve the ends of human life. Within this framework, of course, the judgment of a person's moral goodness depends on the discernment of what is characteristically human.

Aristotle (1941a, 3.1) and Aquinas (1948, I-II, 1,1) emphasize two unique faculties in human beings: will and reason. Reason deliberates about the goodness of ends and about the appropriateness of various means to achieve them. Through action of the will agents choose both ends and the means towards those ends. It is the deliberate direction of human action by the will, informed by reason, that gives human acts their moral character. It is the proper use of these faculties that constitutes moral judgment.

In order to concentrate on those human activities that are the material for moral reflection, Aquinas distinguishes *human acts* from *acts of human beings*. A human act is an act of human agency. The distinction between the two kinds of action can be seen in the contrast between the statements "my beard is growing" and "I am growing a beard." The "I" in the second statement identifies it as an account of a human act (McInerny, 1993).

Human acts are characterized by a certain amount of freedom – we want to know why a person chooses to do "this" instead of "that". If a person cannot possibly do "that", then it is pointless to ask why the person did "this"; we will have to look elsewhere for an explanation. We do not ask why a person chose to be hit by a car unless we think he could have avoided it. If the person's will did not cause the act in question, then it is not a human act.

Aquinas does not claim that most of the things humans can be observed doing (sleeping, scratching, etc.) are human acts. He is interested in human acts not because they exhaust the possible types of observable actions by humans, but because human acts are the object of moral reflection (Aquinas, 1948, I-II, 1, 1). Neither does the Thomistic

³ "Excellence" is here used instead of "goodness", to avoid confusing the desirability of an end (goodness) with quality of function (excellence). "Excellence" is synonymous with "virtue" in Aristotle.

⁴ For a discussion of the role of teleology in mediaeval ethics, see MacIntyre (1984, Chapter 5), the source of the watch example.

agent refer every act (i.e., putting on socks in the morning) explicitly to his goals (McInerney, 1997).

Observe also that the formal definition of a human act need not specify the act's end. Human beings act for a variety of ends, about which they often sharply disagree. Aquinas's analysis of the human act begins with an analysis of its formal structure, and the "shouldness" implicit in that structure. Only after exploring its formal nature (Aquinas, 1948, I-II, 1) does Aquinas move on to a discussion of the ends actually pursued by human beings (I-II, 2-3). The formal analysis is independent of the ends for which actual human beings act (MacDonald, 1991).

The Thomistic characterization of human action as rational and goal-oriented bears a resemblance to economic rationality, and contrasts with the Kantian account of morality. According to Kant, the individual's commitment to a universal rule is the basis for morality; in the Thomistic account, the moral character of an act is determined by whether or not the act is truly perfective of the agent – whether or not the act actually furthers the true ends of the acting agent. The Thomistic account differs from the economic, however, in that in it human beings deliberate about ends as well as means,⁵ and they are not constrained to focus on measurable ends, like income, leisure, or consumption. It is a broader rationality, which might perhaps include economic rationality as a special (if attenuated) case.^{6,7}

The resemblance of economic rationality to Thomistic rationality brings to light an important connection between rationality and morality which is often neglected in economics.⁸ First, discussions of morality assume rationality: morality in Thomistic philosophy is the analysis of human action, which by definition is rational and goal-oriented. If a person is not rational, then it is a waste of time to try to engage his reason in a discussion of the best course of action; if he has no choices or is incapable of making choices, deliberation is similarly useless. Second, rational reflection has a certain moral force: goals which have been chosen as the result of rational deliberation should be pursued, in a

⁵ Humans must deliberate about ends for two reasons. First, some ends are proximate, and the desirability of a proximate end is only discerned in light of the ends it in turn serves. Second, there are many possible ultimate ends, not all of which can be fully pursued by any one human being. Thus, a person must deliberate over ultimate ends in light of his overall goal of happiness, that is, a good human life.

⁶ The Thomistic account also differs from the economic in that it does not take for granted that the will always directs the persons toward what is considered to be the good, even by the acting person. Will as well as reason may be defective.

⁷ The resemblance between Thomistic and economic rationality is not accidental. The utilitarianism of Bentham was an attempt to provide a scientifically grounded teleological account of human behavior and morality, to replace the Aristotelian account. See MacIntyre (1984, Chapter 6).

⁸ See Hausman and McPherson (1996) for a list of important exceptions to this neglect.

reasoned way. In the Thomistic tradition, this statement is self-evident and is foundational: one should pursue what one perceives to be good (Aquinas, 1948, I-II, 94, 2). The economist's professional aversion to any deliberation about goals does not shield him from the inherently prescriptive nature of his own rational reflection.

Multiple Ends and Their Order

Consider the following example. If you ask your colleague "What are you doing?" as he pores over equations on a pad of paper, he might give any of the following answers:

"I'm specifying an earnings regression."

"I'm trying to estimate the effect of schooling on earnings."

"I'm writing a paper for the *Journal of Political Economy*."

"I'm providing advice for Department of Education policymakers."

"I'm trying to increase the human capital of children."

"I'm trying to get tenure."

"I'm supporting my family."

"I'm satisfying my curiosity."

Because each of these answers refers to an end of the colleague's action, each qualifies as an answer to your question, even those that are incomplete. The context of your question alone will guide the colleague in figuring out which end you are really asking about.

Only ends serve as a satisfactory answer to the question "What are you doing?"; the above example makes clear that there may be multiple ends for any human act.⁹ These ends are often related to each other. According to Aristotle, individuals act with two sorts of end in mind. The first, a proximate end, is pursued not for itself, but as an intermediate step toward some other end. The second is an ultimate end, pursued for its own sake, and not as a means to some higher end. According to Aquinas, each end represents a distinct act of the will, which chooses ultimate as well as proximate ends (Aquinas, 1948, I-II, 8,3).

The relationship between the various ends of any particular action is often complicated – any proximate end may serve as a means for more than one other end (I may write a paper both to influence a policy debate and to publish in a top journal), and even ultimate ends may serve as means to further ends (I may seek estimates of the education earnings function for the sake of knowledge for its own sake, and in order to advise policymakers).

⁹ You might answer "I am paralyzed and cannot move". This, in fact, serves as a possible response, but in this case the question "What are you doing?" is inappropriate. You are not, properly speaking, engaged in a human action. "What is the matter?" is the right question.

This order among the various ends of human action is best described as a “hierarchy”. This term has unfortunate connotations of abusive authority, and emotional reactions to its use necessitate a clear explanation of its meaning and scope. That ends are ordered hierarchically means simply that ends higher up are prior to ends further down: the choice of proximate ends is justified by reference to the ends that they serve. For example, the ends of economic research are proximate; a change in ethical imperatives (ultimate ends) may redirect and substantially change economic analysis, by pointing it towards a new set of questions or by redefining the nature of the human good to be pursued in an environment of scarcity.¹⁰

Moreover, this hierarchical ordering exists whether or not there is some authority external to the individual. Even a radically autonomous individual, free of any allegiance to external moral authority, gives evidence of hierarchically ordered ethical reflection, as long as he or she is rationally oriented towards some constellation of ultimate ends. The hierarchical order described here is intrinsic to ethical reflection, not extrinsic. It is the formal structure of human practical reasoning, and is discussed in detail by Aquinas before he begins to argue for a particular notion of substantive good (Aquinas, 1948, I-II, 1). Human action is not intelligible if it is not hierarchical.¹¹

Every human act takes place within some hierarchy of ends. There are various ultimate ends toward which any action might aim (truth, beauty, justice), and any act may serve several ends. When ultimate ends come into conflict – and scarcity makes these conflicts unavoidable – the appropriate balancing of the various ends is the object of moral reflection. According to Aristotle and Aquinas, the rational virtuous pursuit of a variety of ultimate ends constitutes the moral life (McInerney, 1997, p. 25).

Two things are noteworthy about the hierarchical structure of the economist’s behavior *qua economist*. First, even when the behavior in question (running a regression) begins in a purely economic context, the upper end of its hierarchy of ends rarely ends there. The hierarchy can end within the limits of the economic subject matter only if the ultimate end is knowledge for its own sake (finding the effect of human capital on earnings just because you are curious) – a defensible goal, but not

¹⁰ A change in the goals of analysis may not change the actions taken by the researcher, since different goals may motivate the same actions (McKee, 1987).

¹¹ Other writers have avoided the use of hierarchical language, but describe the same concept. MacIntyre (1984) asserts that all human action is intelligible only with reference to the narrative of an entire life, considered as having a goal. Simon (1987) emphasizes the difference between “use” and “human use”; the second phrase implies that an action can be evaluated in view of the ultimate good of the person. See also O’Boyle (1990), who gives a Catholic account of the relation of ethics to economics that is hierarchical.

usually the primary goal of policy-oriented economists. Second, the posited ends at every level of justification imply a normative prescription for action. It stands to reason that one should pursue one's goals. At lower levels (specifying and running a regression) we call these prescriptions "methodological norms". At higher levels (alleviating poverty among inner city youth), we call them "ethical norms". Whatever they are called, they are implicit in the account of the economist's action at each level – one should attempt to achieve one's goals, whether the goals are specified at lower levels of the hierarchy, or at the higher.

Like all human acts, the actions of economists "doing economics" are ordered towards, and made intelligible by, a hierarchy of ends. The upper ends of this hierarchy are of an ethical nature, the lower ends of a methodological nature. Crucial to a proper understanding of the positive-normative distinction is the relationship between these ends.

3. THE ENDS OF ECONOMICS IN HIERARCHICAL CONTEXT

The Case for the (Limited) Autonomy of Proximate Ends

The Aristotelian tradition offers three observations which provide a foundation for the positive-normative distinction. First, any change in an end, ultimate or proximate, entails a change, or at least a reconsideration, of ends further down the hierarchy. It is impossible to sever the ties of economics to the ends of economics without destroying all rational justification for economics. Second, the pursuits of certain proximate ends is so common that they have been systematized into "techniques" (or *arts*); the choice of ends within the technique has been formalized into a set of rules and procedures whose purpose is the most efficient achievement of the technique's end. The practice of the technique is related to ultimate ends indirectly, through the proximate ends of the technique itself. Third, even though some ultimate ends may serve as means to further ends, ultimate goals (such as knowledge) must not be treated purely as instruments to other goals.

The first observation simply notes the priority implied in a hierarchical ordering. If one can construct a hierarchical chain of ends for an act – that is, if an act is intelligible as an act of human agency – then the ends which are further up the hierarchy have implications for the proper identification and pursuit of intermediate goals further down. If a person is really serious about an end further up the hierarchy of action, then actions and ends further down should not conflict with the higher goal.¹² According to Aquinas (1993, no. 23), "... the reason for the means

¹² Aquinas (1948, I-II, 1,4) puts this differently, asserting that if there are no ultimate ends, then there can be no reasonable motivation for human action in pursuit of proximate ends.

must always be found in the end itself”, and a subordinate end is itself a means to some superordinate end. The best example of this principle in economics is the necessity that a researcher pursue questions with interesting “policy implications”. However technically competent an empirical or theoretical study, if it does not further some higher end – sometimes knowledge for its own sake, but more often explicit advice or at least a sharper perspective on some public policy question – it is not considered good research. Similarly, a good economist is seldom merely technically good.

It is worth noting that this priority holds at any point in a chain of ends, not just at the top. Whenever any proximate end is called into question, the ends which are themselves means to it are also called into question, and may be abandoned along with it. Thus, if a particular research end, say the development of overlapping generations models as a means to understanding the phenomenon of money, is called into question, then all the ends which are proximate to the development of these models are called into question along with it.

Most economists accept that the ends which motivate their work shape and direct it. Arguments about the relative social costs of inflation and unemployment spur research into those costs; to the extent that low income is an incomplete measure of poverty, other measures should be developed. Most do not, however, accept that economics need be directed at every step by ethical ends. They claim instead that the process by which proximate ends within the realm of economic analysis are chosen is independent of the superordinate ends served by the analysis.

This insistence that economic analysis is to some extent autonomous from ultimate ends finds its place in Aristotle’s distinction between three types of intellectual activity: theory, technique (or art) and prudence. Each activity is distinguished by its end. Theory has as its end truth (that which is); technique has as its end the making of an object or the establishment of a certain external state of affairs; prudence has as its end human action, and ultimately, the good life. Since prudence determines what we should and should not do, its exercise is the focal point of ethics. Theory and technique are ultimately governed by prudence, but are different enough to have their own canons of practice and can claim a limited autonomy from prudence.

Theory is intellectual activity whose end is unchanging truth, valued for its own sake, and not useful for some other end. For Aristotle, unchanging truth was to be found in the contemplation of mathematics and divine beings; for Aquinas, it was found in contemplation of God, the source of all being. Theory thus defined is not relevant to our enquiry, although the techniques by which knowledge is pursued are of direct interest.

Technique is an activity of the intellect whose end is the production of some thing or some state of affairs. It is broad enough to include both what in modern English is translated as “art”, “craft”, and even “science” (Dunne, 1993, p. 252). Technique is concerned with a type of human action (making), but Aristotle and Aquinas distinguish it from human action in general, and treat it separately from prudence.

Making is distinguished from other human acts by the control that the craftsman has over his materials, and the knowledge of making upon which the craftsman can draw. Whereas the human acts which are the domain of prudence take place in an environment that is new and contingent, for which no exact formulas are available, actions defined as “making” are characterized by predictability, or at least a contingency whose proportions are well understood from long personal experience or a body of knowledge about making. Dunne (1993), claims that Aristotelian technique

... lies either in a body of knowledge that has been fully systematized so as to provide strict and ready-made guidance to the [craftsman] or – in the much more frequent cases where such an “exact and self-contained” science is not available – in a process of deliberation ... where the [craftsman] has to inquire ... about what is to be done – but where such inquiry can nonetheless be described as “analytic” in that it runs along tracks that are very clearly laid down by the (prior) possession of the form or end (p. 353)

The exercise of a technical skill requires a very narrow sort of judgment, which identifies an end and applies well-defined techniques towards its realization.

Prudence is concerned with human ends which are not expressed in external objects or states of affairs, but which are internal, effecting the development and perfection of the person. Acts of friendship, religion and learning, for example, have as their main result human development through rational participation in ultimate ends. Prudence exercises control over technique only in providing it with an end – a person decides to build a table for his house, or a patient asks a physician for treatment to safeguard his health. The means chosen to achieve the end of the technique are chosen according to a logic internal to it, which draws on the history of the technique and the experience of the craftsman.

The classic defenses of the positive-normative split, from Ricardo’s assertion that economics can tell you how to become rich, but not whether to become rich, to Robbins’s distinction between economist and policymaker, claim for economics the status of a technique. Positive economics, by this line of reasoning, is defined as the body of techniques that have been formalized in the pursuit of certain ends – explanation

and prediction of social phenomena. Such a claim seeks to limit the effects of ethics to the determination of the proximate ends which direct the techniques of economic analysis. Moreover, if economics is, according to its technical nature, directed toward proximate ends, then by definition it does not contain resources for more comprehensive prudential deliberations about ultimate ends. Its practice may be directed in light of ultimate ends, but it itself does not deliberate about ultimate ends.

The claim for a limited autonomy of economics from ethics is reinforced by the presence of an ultimate end, truth, among the ends directly served by economics. Many of the techniques of economics have as their immediate object the making of some true statement – “the data reject the null hypothesis”, or “the model implies a negative relationship between X and Y”, for example. Because truth is an ultimate end in its own right, there are strict limits to its instrumentalization toward further ends. Economists are understandably reluctant to compromise their commitment to truth, or to adopt shoddy practice in pursuit of agreeable results. Weston (1994) cites this concern in his defense of the positive-normative distinction.

Aquinas (1993, nos. 26–7) makes a similar point when describing the ways in which prudence (which governs human acts) directs both technique and theory. Prudence may direct technique and theory by specifying the realm of their activity – what should be made, what questions investigated. Prudence directs theoretical activity (whose end is truth) toward the investigation of certain truths; however, prudence cannot tell theory what to find. Prudence directs theory to ask certain questions, but cannot direct theory to find certain answers. Neither may prudence direct technique to deny the truths on which technique must rely to produce its output. This is especially true in natural science and social science, which make use of technique to render judgments about what is and what is not true.

The Thomistic treatment of the embeddedness of technique neither endorses a complete separation of technique from ethics, nor does it erase all boundaries between ethics and economics. Aquinas (1948, I–II, 1,6) provides an example which captures the balance nicely. A man on a journey whose goal is point X by time t need not think of the end at every step. The traveler can afford to forget his ultimate end while focusing on any particular day’s goals. Nevertheless, he is not free to go anywhere and do anything on the way, if he wants to arrive at X by time t. Thus the Thomistic tradition simultaneously recognizes that economists are not ethicists, at the same time refusing to recognize a radical separation of economics from ethics.

4. AQUINAS IN THE MARKETPLACE OF IDEAS

The Modern Market Context

Before the Thomistic tradition can be brought fully to bear on the positive-normative distinction, a word must be said about the very different social contexts within which Aristotle, Aquinas and modern economists write. The context matters because Aristotle and Aquinas each took for granted an intimate connection between the ultimate ends of life and proximate ends. The Athenian citizen for whom Aristotle wrote belonged to a polis whose existence was justified, and whose governance was debated, by reference to the good human lives of its citizens. The medieval religious for whom Aquinas wrote belonged to an integrated Europe organized around the pursuit of ultimate ends. The intellectual lives of the Athenian citizen and the medieval European scholar were animated by the discussion and pursuit of ultimate ends, within societies explicitly (if sometimes only officially) committed to ultimate ends (McIntyre, 1984).

The social context for the modern economist is neither the polis nor Christendom; it is the market. In the narrative of exchange, persons adopt temporarily the ends of others as means to their own ultimate ends: the researcher adopts the ends of the granting agency or department chair, not as ultimate ends, but as means to making a living or increasing his status. As a result, an economist's identity as an economist is kept separate from his identity as a moral person. The discussion of ultimate ends is discouraged within the realm of expertise and technique, and takes place, if at all, in the separate social spheres of religion, culture or politics.

From this market metaphor come two criticisms of the Thomistic approach to moral philosophy. Firstly, economists do not behave like Thomistic agents, with fully ordered proximate and ultimate ends guiding their research actions. Secondly, even if economists do act for ultimate ends, it is not necessary for them to adopt "altruistic" goals like alleviating poverty or reducing crime. The field improves itself in much the same way that decentralized markets increase wealth, independently of the intentions of individuals to benefit the field, and in spite of their purely self-interested ends.

MacDonald (1991) responds to the first objection. First, Aquinas's formal account can accommodate a wide variety of ultimate ends. Disagreement about the ends of human action does not affect the formal structure of moral reasoning (analyzed in Aquinas, 1948, I-II, 1). Second, if economists do not act for an end when they conduct research, then one cannot ask them why they have made certain research choices and

expect a reasoned answer. Their analysis is simply not included among the reasoned human actions analyzed by Aquinas.

It is, in fact, hard to believe that economists do not reason about the choices they make as economists. Much of their energy is devoted to the justification of their research actions in seminars and in print. Reasoning of this sort must of necessity involve ordered ends, and at least some of those ends must be ultimate, that is, not valued for the sake of something else. The ultimate ends may not be as elevated as "curing world poverty" or "alleviating suffering"; they may instead include "becoming famous" or "providing for myself and my loved ones". Aquinas recognizes that any of these may serve as ends of reasoned action, and that they necessarily give direction to human acts. He cannot accept, however, that action without any reference to ends can be intelligible.

The second objection claims that the "altruistic" goals of economics need not be willed as ultimate ends by economists. The field produces new advances and a deeper understanding of economic phenomena without any one person seeking that advancement as an end. Break-throughs occur as a result of work whose author had no useful intent in mind beyond curiosity, psychological compulsion, tenure or promotion. In fact, the individual researcher cannot predict the consequences of his actions for the discipline well enough to guide them toward anything beyond his own welfare. As Adam Smith's baker need not directly will the benefit of the consumer, neither does the education researcher need to will directly the benefit of school-age children. It is not from the benevolence of the researcher that better policies are developed, but from his or her self-interest.

This is an important argument, because it places us squarely in the modern social context. Modern academia is populated not by Athenian philosophers, but by narrowly trained experts who specialize in technique and "sell" their analyses to foundations, academic departments, private institutions and government agencies. The researcher may help others (e.g., granting agencies) advance ultimate ends which are not the researcher's. What are the consequences for the Thomistic framework of the pursuit of ends coordinated through market exchange?

One can grant the premises of this argument and leave intact the claim that the "ethical" ends of economics still motivate research decisions. These ends enter the deliberations of researchers through the ends "publish in *JPE*" and "advise the Department of Education". The editors of economics journals want to publish papers which directly affect policy debates, or which improve the tools that economists use to address those debates. DOE policymakers want advice that will improve education policy. If the economist wishes to publish in certain journals or advise certain policymakers, he must be willing to adopt as proximate ends the policy concerns of the editors and policymakers.

From the point of view of Thomistic moral philosophy, it does not matter whether the end “improve the welfare of the next generation” is a proximate or ultimate goal of economic research. If these ends have a place somewhere in the hierarchy above the end “specify and run a regression”, then they should shape and motivate research decisions. The Thomistic account of human action can find a place in modern market descriptions of social interaction.

The account of the ways in which an individual’s ends are developed in exchange, be it intellectual or market exchange, is richer than the Thomistic account of human motivation, but the relations between ends in the hierarchy of justification is left intact. Of course, a market account of intellectual activity assigns a much greater role to consumers of economic analysis: journal editors, foundations officials and policy-makers. These individuals provide the carrots and sticks which motivate self-interested researchers to adopt proximate ends in their research.¹³ Many of these actors are themselves economists; they at least cannot take refuge in their technique to avoid deliberation about ultimate ends.

One can grant that those on the other side of intellectual exchanges with economists affect the ends adopted by economists without accepting that those ends are the right ones. The ultimate ends promoted by an organization are the topic of crucial debates, and only an emotivist can deny the possibility that those debates can be reasoned. It is possible that those ends should not be precisely specified, embodying a sort of *laissez-faire*, agnostic humility about what sort of research will in fact benefit society most. Even that conclusion requires rational deliberation about the pursuit of the good in economics, and evaluations of past research outcomes.

The claim that economics is a technique, and the economist a hireling, does not let the economic technician off the ethical hook. Take an extreme case: an economist might provide advice to a criminal regime about how to commit genocide at lowest cost, in return for money which promotes his own ultimate goal, that of providing for his material needs. His actions may be consonant with his ends as he discerns them, but few systems of morals will refrain from condemning his abandonment of responsibility for the consequences of his advice. Even most emotivists will object, unless they happen to be unmoved by genocide.

¹³ It is possible, of course, that a cabal of academics has cornered the journals, agreeing to publish each others work based not on its policy relevance, but solely to advance each others’ careers. This would be akin to collusion in markets, and would militate against the sort of socially beneficial research outcomes implied by analogies with well-functioning markets.

Consequences of the Separation of Technique from Prudence

The modern context of intellectual specialization and exchange appears to increase the separation between the formulation of ultimate goals and the pursuit of those ends via proximate ends, because those formulating an ultimate goal may be different from the technical experts pursuing the proximate goals which are subordinate to it. Because Aquinas and Aristotle wrote for an audience whose pursuit of proximate ends took place within a social context suffused with and informed by the pursuit of ultimate goals, they do not develop an explicit critique of the modern insistence that the technique-driven pursuit of proximate ends can be divorced from the pursuit of ultimate ends. Although they acknowledge that people often pursue the wrong ends, and mistake proximate ends for ultimate, it would have been inconceivable to either that someone might wish to pursue a proximate end without any reference to an ultimate end. Aristotle comes closest to a critique of the modern isolation of technique and prudence; in the *Politics* (Aristotle, 1941b, 1.9) he suggests that technique isolated from prudence tends to mistake proximate ends for ultimate ends. The *Politics* begins with a discussion of the elements of household management. Among the techniques necessary for managing the household well is the art of "acquisition". For the man who keeps the ultimate purpose of wealth (the well-being of the household) in mind, there are limits to the accumulation of wealth, since it is of purely instrumental value, and more wealth may not serve the ends of the household. Aristotle distinguishes the technique of "acquisition" from the technique of "wealth-getting"; the latter mistakes the accumulation of wealth for an ultimate, not a proximate end, and, as a result, sets no limit to acquisition. Because wealth-getting loses sight of the instrumental nature of wealth, its pursuit may actually harm the household's true interest.

The technique of acquisition and the technique of wealth-getting are easily confused, since each uses the same method. They can only be distinguished by their end: "... each is a use of the same property, but with a difference: accumulation is the [ultimate] end in one case, but there is a further end in the other" (1.9). In this case, hierarchical context makes a crucial difference to the practice of the technique.¹⁴ The household manager who practices the art of wealth-getting is more likely to focus on the accumulation of wealth in the form of coin, and will "... turn every quality or art into a means of getting wealth" (1.9).

Aristotle's example is an imperfect fit in the modern context. Aristotle assumes that the man practicing the art of wealth-getting has

¹⁴ The exclusive focus on wealth accumulation as an ultimate end is made easier by the use of money as a medium of exchange, according to Aristotle.

deliberated about ultimate ends and has concluded (wrongly) that wealth is the sole measure of the good life. The modern expert, however, may focus on proximate ends, without making any explicit claims that they are the ultimate or sole ends of life. Is the expert in danger of granting ultimate status to the proximate ends of his discipline?

Philosophers working in the Aristotelian tradition assert that the modern expert faces exactly that danger. Newman ([1852], 1982), critiquing the claim of Senior ([1838], 1938) that the new science of political economy was separate from ethics, highlighted the distortion in the field that occurs when it insulates itself from the deliberations of fields of inquiry above it:

It [political economy] cannot itself declare that it is a subordinate science, that its end is not the ultimate end of all things, and that its conclusions are only hypothetical, depending on its premises, and liable to be overruled by a higher teaching. (p. 65)

When economists cut themselves off from deliberations about the ultimate goals of their research they unavoidably substitute the goals of their discipline (wealth maximization in the nineteenth century and efficiency in the twentieth) for ultimate goals.

According to Newman, this tendency to elevate one's proximate ends to ultimate ends is rooted in human rationality. Humans, being rational creatures, are compelled by their nature to construct an intelligible narrative of life. If they deny themselves the opportunity to discuss ultimate ends, and the role of those ends in a complete human life, they will not simply do without ultimate ends; they will find themselves attracted to the proximate ends of their technique as if those ends were ultimate. They will accept a false but complete hierarchy of ends over an incomplete one.

The hierarchical conception functions as a practical safeguard against any unwarranted imperialism by economics, by orienting economists towards the broader ends served by economics. The point here is not that economists must bear the ultimate ends explicitly in mind at every turn of their work. The danger of technique, however, is that its practitioners may lose sight of the ultimate ends which justify their work, and pursue a proximate goal for its own sake. The antidote to this tendency is for economists to come up for air periodically, to participate in deliberations about the human good, and to conduct their research in light of those deliberations.

When Is Economics Least Like a Technique?

The analysis so far takes as given that economics is a technique in the sense described by Aristotle. One criticism of the positive-normative distinction asserts that economics fails to meet Aristotle's relatively

narrow definition of technique, but is instead similar to prudence. A technique, according to Aristotle, is a reasoned state of capacity to make; the end of technique is either a material or immaterial object external to the maker. Aristotle emphasized that technique requires only a very narrow sort of judgment; it proceeds according to a fixed method toward an end predetermined in the mind of the maker (Aristotle, 1941a, 6.4). According to Aquinas, the operation of technique is so automatic that it does not require the intellect to deliberate about its means – they are fixed by the method of the technique (Aquinas, 1948, I–II, 14.4).

This definition of technique is very narrow, however, and may not cover many of the activities that we call techniques. Dunne (1993) emphasizes that technique requires more practical judgment than Aristotle recognizes, particularly when a technique is applied in highly contingent circumstances. In these situations, one who loses sight of, or is not committed to, ultimate goals in the practice of a technique may inadvertently undermine them.

Some, perhaps much, of what economists do satisfies the definition of technique. When the proximate ends are fixed – say, determining the male–female wage ratio in a certain profession, or calculating the subgame perfect equilibrium of an extensive form game – economists have a well-defined body of knowledge upon which to draw. In contrast, the practice of economics looks least like Aristotle's technique when economists develop new theoretical methods or empirical analyses for new areas.

When economics is applied to a new area of social reality there is, strictly speaking, no technique yet: both ends and means are as yet indeterminate. True, the researcher knows, in general, what area he wishes to address (e.g., marriage), and he wishes to look at its economic aspects (e.g., its voluntary nature). Nevertheless, he cannot conduct his analysis in such general terms. He must define marriage and posit theories about the nature of the commitments undertaken in marriage. If his analysis is to have any policy relevance, he must conduct his analysis with an eye to addressing “problems” in marriage policy (is divorce a problem or a solution?), whose resolution entails a judgment about what a “good” outcome would look like, or, at least, with an eye to helping policymakers and others think about the issues.

Groundbreaking work like this develops the field of economics; the discipline awards prestigious prizes and chairs for these sorts of additions to economic analysis. Yet these sorts of exercises, in which both the ends and means of research are specified, are least able to claim even the limited autonomy of a technique. The lines between “what economists do” and what “what policymakers value” are most blurred at the frontiers of economics. It is here that Myrdal's ([1954] 1984) critique of unacknowledged value judgments has its greatest force, that a fully

rational justification of the theoretical assumptions and empirical specifications is most needed to avoid the implicit assumption that the end of economics is "... the ultimate end of all things".

5. CONCLUSION

Much of the confusion over whether or not economics is value-free focuses on the fact-value distinction: "is" does not imply "ought". Both the defenders of a space for value-free economics (Blaug, 1992) and those who assert that all economics is shot through with value (Myrdal [1954], 1984) focus on the fact-value split. This paper approaches the role of ethics in economics from a different perspective, focusing not on the logical content of economic analysis, but on the actions taken by economic researchers themselves.

Because economists are human and because, as academics, they are supposed to be in pursuit of reasonably examined goals, their actions are inescapably moral. True, an economist running a regression in isolation is not acting morally or immorally – if he is acting in isolation, he is not acting like a human being at all. Any justification of the regression must refer to either the proximate or the ultimate ends it is supposed to serve; if any of the ends are called into question, the justification for the regression is weakened. Even claims that economics is a technique does not insulate it completely from ethics.

Economists often take for granted the ultimate ends of their work: achieving the proximate tasks of economic technique is difficult enough, and absorbing work. In taking ultimate ends for granted, they risk losing sight of them, thereby ignoring the considerations that provide an ultimate justification for their work, and a foundation upon which it is built.

One strength of the Thomistic approach is its ability to bolster recent pragmatic defenses of the positive-normative distinction. Both Weston (1994) and Hausman and McPherson (1996, appendix) reject the fact-value distinction, but maintain the existence of the positive-normative distinction. Hausman and McPherson's definition of positive economics conforms to Aristotle's definition of technique: positive economics concerns itself with the production of "facts" according to a formalized set of values (ends). Weston offers four practical defenses of the positive-normative distinction, each of which emerges naturally from a Thomistic framework.

Economists may be averse to this Thomistic context because it requires prudence, which governs the pursuit of higher ends. This aversion to prudence as a necessary component of good practice is not accidental – the modern scientific mind is averse to prudence, for three reasons. First, since prudence "makes use of" other sciences, it requires a

breadth of knowledge that is by its nature resistant to systematic analysis. Second, prudence is always concerned with the particular, since the best course of action is always dependent on the particulars of the unique context in which the action must be taken (Aristotle, 1941a, 6.8). Third, although prudence is an intellectual activity, it is not purely intellectual; it requires a will that is ordered toward the good even in unique situations in which the intellect cannot provide clear guidance. Prudence is classified as a moral as well as an intellectual virtue.¹⁵

The acceptance of the need for prudence does not necessarily make economics less “scientific”; it merely acknowledges that scientific judgment requires as a foundation a set of habits which are themselves non-scientific, which are developed in community, and which orient the researcher toward the human good in particular circumstances. Any researcher who values senior colleagues, not only for their highly developed technical skills, but for their prudence in choosing which topics to pursue and how to pursue them in effective, practical ways, implicitly acknowledges the role of prudence in economics.

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¹⁵ MacIntyre (1990) gives a clear account of how the virtues are necessary to the maintenance and passing on of Thomistic tradition, by enabling people to learn the virtues that make rational inquiry in the Thomistic tradition possible.

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