

## **A Reconsideration of “Fact” and “Value” and the Moral Space within which Theologians and Economists may share Common Objects of Love**

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### **1. Introduction**

**P**rior to the current financial crisis, economists could perhaps take comfort in the fact that their discipline had largely displaced Christian theology as a culturally viable authority in the late-modern world. While the stock in trade of capitalist economics has tended to separate questions of “fact” from those of “value” thereby suggesting that economics deals with “facts” open to rational argument and calculation, whereas theologians handle nothing more than issues of subjective values and preferences, with the implication, if not outright stated judgment, that the work of the latter is not only suspect but unwelcome among those who handle the cold, hard, details of currency, value, exchange, and objective truths such as capital.

Given this rather stark depiction of relative value and condition of our respective disciplines I can perhaps understand why a few of you may well be hoping that the opportunity cost of having to listen to two theologians pontificate on what they wished economists knew about theology will be more than off-set by the work of Drs. Klaar and McCloskey. Out of penance, or perhaps professional courtesy, you are, nonetheless here, and it seems, the least we can do is to offer you some grist for the mill.

The prospect of promoting genuine dialogue among theologians and economists on the question of market economies or capitalism is made all the more difficult by the fact that there are significant intranicene conflicts taking place within both disciplines. In his 2009 article, “How Did Economists Get It So Wrong?” Paul Krugman painfully draws back the curtains on the internal flaws and partisan approaches within the discipline of economics. Not only does Krugman highlight divisions among macroeconomists, but goes so far as to underscore critical problems within the discipline itself, saying:

Last year, everything came apart. Few economists saw our current crisis coming, but this predictive failure was the least of the field's problems. More important was the profession's blindness to the very possibility of catastrophic failures in a market economy...The main division was between those who insisted that free-market economies never go astray and those who believed that economies may stray now and then but that any major deviations from the path of prosperity could and would be corrected by the all-powerful Fed. Neither side was prepared to cope with an economy that went off the rails despite the Fed's best efforts.

My interest here lies at a quite a distance from that of assigning blame. Instead, I wonder if this period of economic austerity and perhaps disciplinary humility might occasion an openness to reevaluate a number of basic assumptions about the discipline of economics. And perhaps, questions from those outside of economics, such as from my own, Christian theology, might be given just slightly more attention than they may have received as recently as 2007. To that end, I propose that we re-consider the so-called fact/value dichotomy in the interest of clearing the ground for a much richer discussion of the large questions and interests that economists and theologians no doubt share: namely questions of the nature of reality, the value and purpose of human labor, the nature and meaning of human freedom or liberty, and the meaning and purpose of money or wealth.

In short, as a theologian, I want economists, particularly Christian ones, to attend with the greatest care possible to task of examining who we are and what constitutes the source of our deepest convictions about life. The subject matter of economics is, after all, human well-being. What difference would it make to the way in which Christian economists go about their work, if they were to persist in seeking to understand the nature, purpose and value of human life in terms of St. Paul's affirmation that "all things hold together in Christ" (Col 1:17)? Put differently, how might the rule and justice of Christ shape the way in which Christian economists understand, and address profound global poverty, inequality, and disease? What difference does the rule of Christ—manifest in the work of mercy and justice—make to the analysis and policy recommendations of Christian economists? Surely, the current global financial crisis makes all of these questions that much more poignant.

Genuine dialogue between economists and theologians can only occur, I suggest, in a setting where some of our most basic assumptions are open

to inquiry. From the perspective of a Christian theologian, one of the most troubling methodological assumptions present in the work of much of classical economics is the fact/value dichotomy. The remainder of my remarks constitutes no more than a brief reconsideration of the fact/value dichotomy and the notion of self-interest.

## **2. Reconsidering the so-called “fact/value dichotomy”**

One of perhaps the most damaging methodological concerns of classical economics is its all-too firm grasp upon a conceptual dichotomy that has been substantially discredited by the language philosophy of Willard Van Orman Quine and Hilary Putnam, and provocatively challenged by the work of the Nobel laureate and economist Amartya Sen.

One of the primary reasons to call into question the broad acceptance of the fact/value dichotomy is that its demise may indeed allow the freedom to reintegrate ethics and economics. Without rehearsing the entire argument, allow me to merely point out the most troubling features of the Humean dictum lying behind the fact/value dichotomy. Hume famously declared that one cannot infer an “ought” from an “is.” However widely accepted is this dictum, Hilary Putnam (2002, p. 14) is certainly correct in pointing out that very few today would accept the reasons Hume offered in its support. However tempting it is to regard some one class of things as “matters of fact” and another as “sentiments” or “virtues,” it is cold comfort to realize that for Hume at least, the only way concepts of ideas can represent any “matter of fact” is by resembling it, the upshot of which is the recognition that if “objectivity” requires correspondence to objects then we have to admit that mathematic and logical truth are striking examples of “objectivity without objects” (p. 33). The side of valor at this point lies with conceding that, logically, the whole argument for the classical fact/value dichotomy is indefensible. Putnam has effectively demonstrated that the classical empiricist and logical positivist appeal to the fact/value dichotomy was defended by an appeal to a narrowly scientific representation of what a “fact” might be. Even more problematic is the realization that those who continue to seek to maintain this dichotomy do so in spite of the manifest ways in which factual descriptions and valuation are entangled (p. 27). Here, Putnam, myself and, as it turns out, Sen, are all in agreement in believing that it is a very good thing that fact and value are entangled. Why? At a bare minimum it undermines the otherwise sterile argument of those who wish to put questions of value or moral judgment outside the realm of rational argument. More positively, it allowed Amartya Sen

to not only develop welfare economics and social choice theory, but to work on the causes of famine, and seek to develop practical solutions for preventing the effects of real or perceived shortages of food.

In important ways, Amartya Sen models a vision of economics devoted to serving the formation, preservation and renewal of human safeguards for life and well-being. As a theologian I wonder how widely his work has been taken up by Christian economists, those for whom the mandate to share in human righteousness has been promulgated by the Lord of life.

### 3. Reconsidering “self-interest”

Given the fact that one of the most widely and positively regarded features of modern industrial and technological society is the principle that material and social opportunities are distributed on the basis of individual achievement, it seems a tall order to ask for a reconsideration of the notion of self-interest. When “achievement” is understood as a feature of productive or useful work for which there is monetary reward it appears self-evident that competition and self-interest are prime motivators for economic participation in a free market.

The standard reading of Adam Smith is one that selects a number of key passages from *The Wealth of Nations* including the statement that “The law ought always to trust people with the care of their own interest” (1979, Vol. I, p. 531). Deeply suspicious of the role of government in prudently directing the market, Smith can be read as a champion of natural liberty, writing:

It is thus that every system which endeavours, either, by extraordinary encouragements, to draw towards a particular species of industry a greater share of the capital of the society than what would naturally go to it; or, by extraordinary restraints, to force from a particular species of industry some share of the capital which would otherwise be employed in it; is in reality subversive of the great purpose which it means to promote. It retards, instead of accelerating, the progress of the society towards real wealth and greatness (Vol. II, p. 687).

The proposed alternative to regulated markets, for Smith, is simply a system of natural liberty that, apparently, establishes itself “of its own accord” with the result that “Every man, as long as he does not violate the laws of justice, is left perfectly free to pursue his own interests his own way, and to bring both his industry and capital into competition with those

of any other man, or order of man” (Vol. II, p. 687). A. M. C. Waterman indicates that Smith’s defense of self-interest shares a family resemblance with standard eighteenth-century Common-Sense moral theory:<sup>1</sup> a theory tellingly on display in the judgment of the high-church Tory, Samuel Johnson, who famously remarked: “There are few ways in which a man can be more innocently employed than in getting money.”<sup>2</sup>

It is notable that Adam Smith does not believe that the ground of his economics in self-interest, or as he put it, “self-love.” Whereas self-interest and its achievements has captured the imagination of many who wish to claim him as their ancestor, a broader reading of his thought demonstrates that he makes ample room for the virtues of generosity, justice, and sympathy. While Smith does speak of the mutually advantageous trades of the butcher, brewer, or the baker, he does not believe that self-love alone could stand as the basis of a good society. Indeed, as Sen (1988) writes, “he maintained precisely the opposite. He did not rest economic salvation on some unique motivation” (p. 24). As it turns out, at least two distinct and compelling lines of argument stand in the way of elevating self-interest to a governing principle of a good or just society.

First, in the New Testament, the term *eriqueia* (eritheia) is used synonymously with the term “selfishness” (Balz and Schneider, 1990, p. 52). As such, those who might wish to draw the distinction between “self-interest” and “selfishness” as a way out of the moral obligation to place love of God and neighbor ahead of self-interest are frustrated by the biblical witness. Paul’s instructions to the Corinthian Church regarding the need to forswear eating meat offered in sacrifice to idols are entirely germane at this point. If either self-interest or liberty (understood here as individual freedom) could reasonably trump the judgment and conscience of others, Paul would certainly not have said that

...all things are lawful, but not all things build up. Do not seek your own advantage, but that of the other...So, whether you eat or drink, or whatever you do, do everything for the glory of God. Give no offense to Jews or to Greeks or to the church of God, just as I try to please everyone in everything I do, not seeking my own advantage, but that of many, so that they may be saved. Be imitators of me, as I am of Christ (1 Corinthians 10:23-24; 31-11:1).

Parenthetically, it is worth asking what difference the teaching of 1 Corinthians might have upon Christian economists as they work towards reintegrating economics and ethics. More generally, what difference might it have upon economists at, say, a hypothetical annual conference debating

the merits of an ethics policy calling them to divulge conflicts of interests?<sup>3</sup>

Returning to the New Testament, we see that regard for private or self-interest stands at a remarkable distance from the life and ministry of Christ. In the famous kenotic hymn of Philippians 2 we encounter Paul's exhortation:

Do nothing from selfish ambition or conceit, but in humility regard others as better than yourselves. Let each of you look not to your own interests, but to the interests of others. Let the same mind be in you that was in Christ Jesus, who, though he was in the form of God, did not regard equality with God as something to be exploited, but emptied himself, taking the form of a slave, being born in human likeness. And being found in human form, he humbled himself and became obedient to the point of death—even death on a cross (Phil 2:3-8).

Second, if we reach beyond the New Testament to the fifth century we encounter a remarkable argument in defense of the view that selfhood or personal identity cannot arise out of the singular pursuit of autonomy or private interest. The key to this argument the high point of book XIX of Augustine's *City of God* where we find one of the finest definitions of the relationship between identity, love and society that one will ever find:

A people, we may say, is a gathered multitude of rational beings united by agreeing to share the things they love. There can be as many different kinds of people as there are different things for them to love. Whatever those things may be, there is no absurdity in calling it a people if it is a gathered multitude, not of beasts but of rational creatures, united by agreeing to share what they love. The better the things, the better the people; the worse the things, the worse their agreement to share them (XIX, 24).

Unlike Cicero, who thought that we gain our identity in having a common regard for law or justice, Augustine insists that selfhood, or identity, is formed by sharing in "common objects of love." When the common objects of love are truly good, then those gathered around these objects become better people. Extending Augustine's argument, when the object in question is the very best that could be loved, namely the triune God, we find that a new and ontologically definitive identity is given to those who share in the common love of God.

For those of you who believe that all of this sounds far too abstract, ethereal or perhaps value-laden, we need only remember St. Paul's teaching

### 30 FAITH & ECONOMICS

in 1 Corinthians 1:9 where we learn that we have been called into, that is to actively share, the fellowship of God's Son, Jesus Christ our Lord. So that we do not fall victim to an idealized notion of community, St. Paul also insists upon there being a visible, or concrete sense of this term: "The cup of blessing that we bless, is it not a sharing in the blood of Christ? The bread that we break, is it not a sharing in the body of Christ? Because there is one bread, we who are many are one body, for we all partake of the one bread" (1 Corinthians 10:16-17).

#### 4. Conclusion

Far from lauding achievement, competition, or self-interest, St. Paul, Augustine, and I cheerfully submit that our Lord, Jesus Christ, calls us to a common love of God—a love, moreover, that takes the form of self-sacrifice and *koinonia*, or sharing. Neither the so-called fact/value dichotomy nor self-interest constitutes a reliable guide to right conduct. Rather, I would hope, the work of Christian economists would share one of the fundamental starting points for Christian theology, namely, our openness to give expression to our common love of God in actively using our respective gifts in the service of bringing about a just and life-giving economy.

#### Endnotes

- 1 Smith "transferred to the market the anthropological and psychological assumptions of Scottish moral philosophy, namely, that self-interest and reason are fundamental to human nature and that, insofar as these can operate freely, they mobilize activity and promote the common good" (Haferkamp and Schade, 1999, p. 9).
- 2 Cited in Waterman (2005, p. 97).
- 3 See Barrett (2012).
- 4 See the translation of this passage by Oliver and Joan Lockwood O'Donovan in O'Donovan and O'Donovan (1999, p. 162).

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