

Human Goods, Economic Evils: A Moral Approach to the Dismal Science

Edward Hadas. 2007. Wilmington, DE: ISI Press. ISBN: 1-933859-27-X, \$22.00 (paper).

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There are numerous books offering insights into the normative dimension of economics, but they tend to approach the issue by identifying specific and often seemingly isolated points of intersection between morality and economic policy. This book is uniquely ambitious in that it attempts a ground-up rebuilding of economics from an explicitly normative and pre-modernist foundation. Economists weaned on the presumptive dichotomy between positive and normative economic analysis will naturally reject the entire project as inherently flawed from its inception. Nevertheless, there are significant rewards in this text for readers open to expanding their understanding of the normative dimensions of economic analysis and policy. It may even inspire some individuals to explore the considerable wealth of Catholic social teaching as it has been applied to the field of economics. Those who press on to read this work in its entirety will be challenged at one point or another to re-evaluate some of their foundational suppositions, even if they remain unswayed by the author's efforts.

I admittedly began my reading of the book with a guarded optimism, hoping that Hadas would be successful, but at the same time aware that the very loftiness of his agenda almost guaranteed that it would fall short and disappoint even the most sympathetic reader. After systematically laying out the basis for his criticisms of the prevailing economic orthodoxy and the basis for constructing a normative framework, the book does in fact ultimately seem to falter when it comes to delivering a cogent and methodologically workable framework. The derived arguments and principles lose their cohesiveness at the precise point where one hoped that some concrete, real world applications would be developed. Readers unfamiliar with Catholic social teaching, moreover, will likely find themselves suddenly thrust into unfamiliar waters with little preparation or documentary support to help orient them to this theological tradition. Despite these flaws, Hadas does push the envelope in his attempt to provide an internally coherent and comprehensive normative framework that goes beyond the implicitly individualistic and materialist approach that he attributes to economic orthodoxy.

The preface to the book is worth reading as it gives a good sense of what motivates the author to attempt to undo what he sees as the modernist agenda of segmenting morality and economic analysis. The articulated aim of the book is “to combine economics with philosophy and theology” (p. xvii). Along the way insights are also drawn from the field of sociology. What appears between the lines is a lament that economists have lost the pre-modernist vision of studying economics for the purpose of improving human welfare, and have sunk to the level of studying economics out of pure intellectual curiosity and/or for the purpose of pursuing individual success in a market economy. Prompted and guided by Catholic social teaching, Hadas proceeds to argue for the need to reshape the framework of economic analysis to “center on two aspects of the human condition: labor and consumption” (p. xvii). Explaining the rationale for this is the agenda of the first seven chapters of the book.

The first three chapters, while noting some strengths and insights of the existing orthodoxy, constitute an assault upon the materialist “reductionism” which he perceives to be inherent in both orthodox and Marxist methodologies (pp. 15–16). Given the author’s admitted limited training in economics, there are some inevitable distortions or misrepresentations that occur in terms of the relationship between utilitarianism and modern economic methodology. A more cogent, extensive, and less rhetorically strident presentation of many of these criticisms can be found in Hausman and McPherson (2006). Hadas goes beyond Hausman and McPherson, however, specifically attributing these failures to a modernist “flawed anthropological construct of human nature” (p. 17), and then proceeds in Chapter 4 to ferret out the broader intellectual and sociological implications of this flaw. Drawing upon observed conflicts, which he attributes to the modernist’s approach, he then identifies in Chapters 5 through 8 some correctives that can be derived from elements of pre-modern approaches. Hadas recognizes some inherent problems even within these pre-modern approaches, and identifies those elements in this tradition which need to be modernized or supplanted in order to effectively reconstitute a morally based approach to economics. Beginning with a revised articulation of the relevant dimensions of human nature, he proceeds to examine the following areas: a) economic methodology, b) the essential subject matter of economics, and c) the concept of the “economic good” or end toward which society strives.

The author introduces Chapters 9 and 10 on “economic goods” with the observation that they constitute the “intellectual center” of his work. In these chapters Hadas explicitly draws upon Catholic social thought to lay out a hierarchy of “economic goods.” The structure of his argument

is founded upon establishing a dichotomy between the external goods (ends) outlined in Chapter 9, versus the internal goods (means) outlined in Chapter 10. His list of external goods, in descending order of importance, is as follows: 1) life, 2) health, 3) freedom, 4) community, 5) beauty, and 6) comfort. The central premise of these chapters is that existing economic methodology has effectively inverted the legitimate ordering to focus on “means” at the expense of the “good.” He thus cogently notes that “[Economic] Efficiency is always an instrumental good, so its value depends entirely upon the final good that is being served” (p. 153). Chapters 11 and 12 then parallel the previous two chapters by developing the concepts of “internal and external economic evils,” suggesting again that existing methodology has subverted and distorted our understanding of “evil.” Admitting that the ordering of “evils” is more difficult to maintain, Hadas tellingly observes that both modern liberals and conservatives have underestimated the power of “economic evils” (pp. 164–165).

For readers not steeped in the Catholic tradition, Chapters 9 through 12 present a considerable hurdle as they may constantly struggle to reconstruct on their own the particular supporting rationales. Unfortunately, many of the rationales are neither well documented within the body of the text, nor fully developed. The desire to streamline the analysis may have played a part in constructing these chapters, but this constitutes a significant problem even for those who might find themselves willing to intuitively accept the offered hierarchies. Having been forewarned, these readers might consider familiarizing themselves with this tradition prior to their reading of Hadas. There are a large number of useful primers, and Long (2000) is an example of one such potential resource that provides a sense of the historical dimension of Catholic theological dialogue. Individuals familiar with the long historical evolution of Catholic tradition will feel quite comfortable with this discussion, however much they might quibble about some of the particulars, or the failure to integrate important supporting documentation.

The next four chapters then successively explore the application of the concepts of economic goods and evils to the previously delineated areas of human labor and then consumption. Chapter 14 discusses the sociological and psychological dimensions of human labor, followed by a chapter on the typology of labor. The next two chapters on consumption follow the same pattern. Unfortunately these four chapters seem to only reiterate his prior arguments rather than significantly advance his agenda. The subject matter of the final chapter is then posed as a question: “What Should We Talk about Now?”

As noted previously, this final section is the point at which the book

falters in delivering on its stated agenda. The arguments simply become too convoluted and difficult to follow as it falls back into the pre-modern/sociological framework without directly connecting to the mode of argument employed in modern economics. The overall analysis is also hindered by seemingly random and isolated switches throughout the text between the uses of “classical liberal” vs. “orthodox economics” to describe the author’s intended foil. This project could have been brought to a more successful closure if the author had specifically structured this final section in a manner that interfaced with the type of arguments put forward in basic principles of economics texts. As is true for all academic disciplines, introductory level texts frequently provide the point at which academicians attempt, often surreptitiously, to inculcate into students their own particular disciplinary values and world view. In response to the question posed by the title to the last chapter, my perception is that this would have been a far more successful work if Hadas had taken this alternative tack rather than pressing on within the constraints imposed by his own methodology. Despite its shortcomings, *Human Goods, Economic Evils* is a valuable read if for no other reason than for the challenge it offers to conventional economics and its presumed objectivity.

References

- Hausman, D. M., & McPherson, M.** (2006). *Economic analysis, moral philosophy, and public policy* (2nd Ed.). Cambridge, UK: Cambridge University Press.
- Long, D. S.** (2000). *Divine economy: Theology and the market*. London: Routledge. ■