Moving from the Empirically Testable to the Merely Plausible: How Religion and Moral Philosophy Can Broaden Economics

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Religion’s role in my life has been rocky. Until college I belonged to an Eastern Orthodox church. More than encouraging belief, it provided the social glue for Detroit’s Lebanese community, particularly useful in a city of ethnic blending where all ethnic groups were spread throughout the metropolitan area.

As a junior at a public high school, I discovered Bertrand Russell’s “Why I Am Not a Christian”—a truly radical title to my sheltered ears. The essay inspired skepticism in me and led to my becoming an overnight agnostic, going so far as to write something of an agnostic’s manifesto for my 11th grade English class that ended with the truly grandiose “we must throw off this curse that blinds our progress.” Since the 1980s I’ve been a member of Quakers, who practice ‘silent worship’. All sit in silence and reflect and only if ‘moved’ should one rise and speak. My marginality as an actively religious person is revealed by my failure to be so moved even once over my 28 years as a member. I do benefit from the messages of those who do speak. And considering that I have to restrain myself from dominating academic conversations, my silence at Quaker meeting provides a nice opportunity to be a listener.

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Sixteen years prior to my joining the Quakers, while still an undergraduate, a series of events moved me away from science and in the direction of philosophy and, to a much lesser extent, religion. I had a research interest in psychology, but it was taught in a very positivist way and I became disenchanted with it. It was introspection that led me to see how I assigned a spatial orientation to wherever I was and to see that these orientations were often inconsistent with one another. The organizers of a conference where I presented my first academic paper required that testable propositions be included. Simply taking my introspection as evidence for what I was alleging was unacceptable. This experience caused me to doubt the scientific approach for two reasons. First, in treating human existence as evident only from the physical reality, science gave consciousness second-class status. The primacy of Hume’s claim that all he could be absolutely sure about was his own existence—‘I think, therefore I am’—would clearly not meet the scientific test (though Hume’s skepticism could not affirm the existence of others). Second, and more significantly, science radically biased our understanding of people by treating them as manifested in their actions rather than by their simply being. The reluctance to treat self-reports as credible evidence meant that aspects of my directional-orientation experiences were necessarily untestable since they did not result in any likely change in behavior; that is, how I interpreted the location of my being was said to have no implication for action. As I read it, ‘being’ was taken less seriously than ‘doing’. Being was regarded as something of an epiphenomenon. The focus on action has led education to be understood almost exclusively as ‘learning to do’. The possibility that one might do nothing differently after graduation than she would have done absent the education would delegitimize the education she received, changes in ‘being’ simply not counting.

I felt pushed out of psychology by the monopoly that positivism had there, and pulled into economics by a strong interest in whether preferences were truly revealed by choice. But once again my reliance on introspection created problems. In trying to make sense of how I freely chose to do things that at some level I would rather not have done, I was led to an idea of ‘metapreferences’—preferences about one’s preferences. I questioned the assumption that expanding one’s ‘choice set’ could only leave one better off. Economists seemed to take it as obvious that more possibilities could not harm the person; he would be made better off, as now something more was available, in addition to all that had been available (George 2001). How, then, to explain my sometimes feeling better off when I had fewer choices? I reasoned that exclusion of options can have the effect of changing one’s preferences—out of sight, out of mind—and thus might be a means of attaining the preference that I wanted to have, to act on it, and thus to be better off.\footnote{Elster (1983) wrote of one possible reason for not missing the omitted thing, “sour grapes.”}
I saw that there were two ways in which ideas associated with religion might help me out. First, nearly all religions acknowledge internal struggles. It appeared to me that the increasingly science-driven fields of psychology and economics were less comfortable with such struggles. After reading a draft of my first metapreference paper, a classmate steered me to a passage attributed to St. Paul: “I do not understand my own actions. For I do not do what I want, but I do the very thing I hate” (Rom. 7:15). Here, of all places, was someone trying to better grasp the experience of internal conflict. Though internal conflict did find its way into the major journals, beginning perhaps with the work of Richard Thaler and H. M. Shefrin (1981), the emerging model of a conflicted agent nonetheless avoided focusing on the experience of such an agent. Internal conflict was modeled as a war between competing selves residing in the conflicted person. In keeping with Milton Friedman’s claim that the truth of assumptions doesn’t matter (Friedman 1953), simply saying that an agent behaved ‘as if’ he were more than one person became acceptable. The normative component of my work was the failure of markets in shaping tastes. On the positivist image of science, the moral I was after was off the table. St. Paul, needless to say, was comfortable with normative claims, but mainstream economists tend not to be. Speaking of better or worse preferences makes little sense when we think of the agent as more than one person. Far-sighted self may gain and short-sighted self may lose. It is not, however, possible to say that the individual is better or worse off, just that part of the agent gained at the expense of another part. In contrast, by the metapreference approach, a change in one’s preference can be treated as an unequivocal change in one’s well-being.

As Daniel Klein (2014, 98) notes in the Prologue, economics “flatten[s] decision down to choice” and “tends to confine freedom or liberty to matters of the possibility frontier.” The philosopher Harry Frankfurt (1971) would certainly agree. For him, it was the capacity to have a metapreference that set humans apart from non-human life. And yet it was this particular kind of preference that was completely ignored by mainstream economics.

Over the last decade, my main interest has been in changes in economic rhetoric over the last century, rhetoric as found in the popular press (George 2012). Most striking is a steady drift rightward. As one example, since 2000 the unemployed have been described less sympathetically than over any decade of the 20th century. As another example, “economic growth” went from appearing about 10 times as often as “economic justice” in the 1930s, to 60 times as often since 2000.

The current Pope has had much to say about modern economic beliefs and economic realities, placing him well to the left of all but a small sliver of U.S. opinion makers. Consumerism is still very much a concern: “The worldwide crisis affecting finance and the economy lays bare their imbalances and, above all, their lack of real concern for human beings; man is reduced to one of his needs alone:
consumption” (Francis 2013, §55). Of even greater concern has been rising inequality. As the Pope puts it, “Can we continue to stand by when food is thrown away while people are starving? This is a case of inequality. Today everything comes under the laws of competition and the survival of the fittest, where the powerful feed upon the powerless. As a consequence, masses of people find themselves excluded and marginalized: without work, without possibilities, without any means of escape” (ibid., §53).

In my work on the changing rhetoric, I found many indicators that there has been a steady trend to favor competition as a guide to the good life over cooperation. Prior to 1980, “competition” and “cooperation” appeared equally often in the press. But since 2000, “competition” has appeared three and a half times more often. More tellingly, positive adjectives to describe competition (e.g., “healthy,” “desirable,” “necessary”) went from being just as likely as negative adjectives (e.g., “unhealthy,” “undesirable,” “unnecessary”) before 1980, to much more likely since then: favorable descriptions appeared 2.5 times as frequently in the 1990s and seven times as frequently since 2000. Clearly, competition is viewed more favorably now than ever before, despite inequality now reaching new highs (George 2012).

How is this possible? Haven’t women, African-Americans, and other minorities experienced advances in the ability to compete? Wouldn’t it seem that we would become more equal? A part of the problem might be the trend toward treating ‘equal opportunity’ as the cure for rising inequality. Revealingly, however, religious notions of social justice had much more to do with results than with opportunities. It might well be that the focus on opportunity has facilitated the rising inequality.

Consider that _opportunity_ can have two very different meanings. I might offer you an opportunity to have dinner with me next week. This means that you can indeed have dinner with me, and to not accept the invitation is your choice. Contrast this with a fair open poker tournament. All have an equal opportunity, in a sense, but only one person wins. There is not convincing evidence that more ‘equal opportunities’ will result in the achievement of more equal results. Perniciously, equal opportunity has had the likely effect of legitimizing inequality by conflating the one sense of the expression (an opportunity to have dinner with me) with another (an opportunity to play in the poker tournament). Such a conflation has the likely effect of ‘blaming’ those who don’t do well relatively speaking. It can lead to the spurious reasoning that one has been given the opportunity to be in the top half, and so one’s ending up in the bottom half must have been that person’s choice, just as your not accepting my invitation is ‘your choice’.

Pope Francis’s claim that the survival of the fittest too often includes the powerful eliminating the powerless deserves our attention. Most who consider
themselves as ‘religious’ reject the celebration of no-holds-barred competition. For this reason, if for no other, an attempt to bring ideas stemming from religion into play will likely improve our subject. The conviction that those around us are conscious, feel pain, and are created roughly equal in their ability to gain utility from goods, are faith-based convictions. Although there is unanimity in accepting them, there is nothing scientific or provable about any of them. A critical task of those with religious leanings and knowledge will be to guard against the further strengthening of amoral economics. Be it through moral philosophy or religion, expanding our subject beyond the scientific can only improve what we do.

References

About the Author

David George is Professor of Economics at La Salle University, where he has taught since 1979. His main research interest has been the welfare implications of irrational choice. After a 20-year period when he wrote several papers on the subject, his book *Preference Pollution: How Markets Create the Desires We Dislike* was published in 2001. More recent research has focused on century-long changes in economic rhetoric within the popular press, culminating in the 2012 publication of *The Rhetoric of the Right: Language Change and the Spread of the Market*. A longtime member of the Association for Social Economics, Professor George served as its president in 2005. His email address is george@lasalle.edu.

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