



Photo by José Martín Ramírez Carrasco on Unsplash

# ***Aquinas and the Market: Toward a Humane Economy***

Mary L. Hirschfeld (Cambridge, Massachusetts: Harvard University Press, 2018)

## **Reviewed by Peter Copeland**

Many can identify times when fundamental aspects of our worldview have been disrupted. Such destabilization engenders a shift in perspective, where changes in basic assumptions affect other beliefs that until then followed from seemingly entrenched first principles.

Mary Hirschfeld – Harvard and Notre Dame-trained economist and theologian – had such an experience in her field and describes her changed outlook in *Aquinas and the Market: toward a Humane Economy*. Her encounter with the “Angelic doctor” slowly led her to re-evaluate some of the foundational assumptions in economic thinking about rationality and

happiness, and the modelling techniques that flow from them.



August Macke, *In the Bazaar*

She endeavours to show economists that their discipline is far from value-free, happiness is something other than the limitless satisfaction of desires, rationality much more than efficient preference maximization, and excessively abstract modelling is something to be curbed.

Hirschfeld first tackles the foundational economic conceptions of happiness and rationality. In the *Homo economicus* model of human behaviour, we are merely utility maximizers, pursuing our goals in the most

efficient manner possible. We seek happiness, defined as preference satisfaction, where preferences are limitless and subjective, sated by various consumption experiences. To be rational is to maximize preference satisfaction through the efficient use of scarce resources.

Through her discovery of the Easterlin paradox, Hirschfeld saw empirical evidence of deficiencies in the mainstream perceptions of happiness and rationality that caused a rethink on her part.<sup>1</sup> The “paradox” shows that beyond a certain point, increases in wealth – and therefore capacity to maximize preferences – are not welfare enhancing.

Aquinas’ view is that happiness is indeed the goal, but it is properly conceived of as *beatitudo* (or *blessedness*) – an interior disposition characterized by a loving and pure heart, whose inner peace flows outwards into action. It is achieved by contemplation, through which we come to understand and dwell on the goodness of things, which we then seek through action characterized by self-gift and love of God and neighbour as one’s self. Happiness is not achieved by maximizing the satisfaction of our immediately given desires and preferences – something that only makes one wanton, covetous, anxious and addicted to control – but by the qualitative perfection of our natures; the fulfilment of the set of interrelated internal tendencies that flow from our nature, as beings created in the image of God.

To see the differences in the practical application of the *homo economicus* and Thomistic conceptions of happiness and rationality in starker contrast, Hirschfeld asks us whether the dishwasher is a good invention. To answer, we must ask what it is that a dishwasher is ordered to, as a human artifact itself, and in the environmental milieu in which it is found. In our culture, it is primarily designed for, ordered to, and consumed for the sake of efficiency, especially when compared to its alternative – manual dishwashing. She argues that the dishwasher has taken away from family time spent preparing and cleaning up after a meal in which parents and children care for and enjoy time with one another, develop skills in the washing of dishes themselves, and live out everyday virtues. Thanks to the dishwasher and other inventions made in the same spirit, meals increasingly take on the shape of a task to be completed with maximum efficiency, thereby diminishing its core

purpose: the integrated whole of shared company, care of one another, and enjoyment of a meal.

The rational choice model of thinking “invites us to make our choices in a piecemeal fashion without thinking carefully about how various goods and services fit into the overall pattern of our lives.” As a result, “we can easily end up in a sequence of choices that are irrational as a whole. Various kitchen appliances are appealing as conveniences. But then our kitchen is too small to hold all those appliances. So, we need to remodel the kitchen to buy a larger house,” and so on and so forth.<sup>2</sup>



Zak Benjamin, *Huisraad (Household Effects)*

The business models behind our social and entertainment media, smartphones and computers are illustrative of these implicit assumptions about rationality, happiness and well-being in our culture. The user experience is designed to be psychologically addictive, thereby maximizing the users’ time spent with the product. Firms that develop these products “mine” users’ consumption and demographic data and sell it for marketing purposes.

Another key difference is in differing conceptions of practical reason. By Aquinas’ account, we use practical reason to separate the wheat from the chaff in our decisions about how to spend our time, what to consume, and which technologies to use. We do so chiefly through the intellectual virtue of prudence: right reason with respect to action that takes into account how any given decision fits together in relation to the whole of our lives and whether it detracts from or enables our flourishing, in light of our understanding of human nature.

On the other hand, the most common contemporary notion of practical reason understands it as purely *instrumental* and *calculative* – “how can I use my reason to achieve my goal.” It has nothing definitive to say about

1. Richard A. Easterlin, “Does Economic Growth Improve the Human Lot?” in *Nations and Households in Economic Growth: Essays in Honor of Moses Abramovitz*, (New York: Academic Press, 1974), 89–125.

2. Mary L. Hirschfeld, *Aquinas and the Market: Toward a Humane Economy* (Cambridge, Massachusetts: Harvard University Press, 2018), 178.



which ends are better for us, nor about the means we use to pursue them. Practical reasoning can only tell us how to continue maximizing our preferences, which are continuous, limitless, and without definitive qualitative distinctions.

Aquinas' model is also about means, but prudence is used to discern what the end looks like in particular circumstances. Because we are to become virtuous if we are to be happy, the means cannot be understood apart from the end. The path toward virtue is simply its practice – there are no shortcuts! This view cuts against a bare-bones metaphysical view of the world as aggregate heaps of physical matter that can be used like tools to satisfy our pleasures. "Under Aquinas' understanding of prudence, the means themselves are part of the end."<sup>3</sup>

If we recognize – along with the perennial philosophy and wisdom of the Catholic and Christian intellectual tradition – that happiness lies in perfecting our natures by loving God and neighbour as ourselves, that reason is capable of recognizing the qualitative differences in types of pleasure and preferences, and in finding means to achieve them commensurate with that nature, we would hopefully be left with technology and norms of social life that are more welfare enhancing, rather than detracting. In lieu of our dishwashers, we might rather have a sink attachment that is an aid in the process, and in the place of maximally addictive smartphones that profit from time and attention, devices geared primarily to facilitating in-person interactions.

Hirschfeld concludes the book with twofold prescriptions. The ideal of economic and social life is one where prudence and contemplation should reign, where we operate under the logic of gift rather than efficiency, and seek to grow closer to God through love of self and of neighbour rather than filling ourselves up with hits of lower forms of pleasure that cannot be readily shared.

For the place of economics itself, Hirschfeld offers a restricted vision for the use of it in our lives. A Thomistic economics would entail "evaluating economic questions in light of broader measures of human well-being than economic indicators alone," and "would be conducted in a way that is mindful

of the fact that we can never merely describe human behaviour. Economic analysis is always addressed to humans and therefore plays a role in shaping cultural conversations that can either promote or hinder our ability to translate economic wealth into authentic happiness."<sup>4</sup>

These prescriptions may sound appealing, but how realistic are they? Regardless of what one may think, it certainly does not seem readily attainable, or even on the horizon as a practical reality on a large scale.

As many would readily recognize, today our basic material needs are increasingly met, and therefore our desires have shifted to relative goods. We experience scarcity not in absolute, but relative terms. We recoil from any restraint on growth or our own range of choices because we fear – perhaps understandably – scarcity of the goods that fulfil our basic needs and because we can't readily envision a future that involves restrictions on choice and an end to the seemingly limitless consumption of the novel. We seem to think that constant growth is the necessary precondition to maintain the floor of high material standards of living that many enjoy today.

More importantly, the constant stream of novel goods, services and experiences leaves us in a perpetual state of reaching for and satiating basic desires, locking us in a feedback loop of consumption where the boundaries between work and the rest of life become more porous. Instant gratification is becoming *reality itself* for the

contemporary person. It is only in moments of loss, failure, and retreat from the daily hustle and bustle that reveal the emptiness, and loneliness of this life of disordered desire.

We must recognize and be realistic about how difficult it is for people today to get off the treadmill of modern life and experience the deeper forms of contentment that come through reflective and contemplative action, self-gift and a life of virtue that Hirschfeld points to. To truly see the futility in the preference-maximization view of happiness, one must be able to

experience the greater peace and happiness that come with sacrifice, small and constant acts of temperance and gratitude, and a life of gift to others rather than one



Christian Rohlf, *Sermon on the Mount*

3. Hirschfeld, *Aquinas and the Market*, 179.

4. Hirschfeld, *Aquinas and the Market*, 209.



Photo by Anna Dziubinska on Unsplash

that looks inward. This is difficult in an online world where people flow in and out of one another's lives like cattle in pursuit of the next pasture to graze in.

But not only that, one must also *believe* and *hope* in a reality that is present and yet to come that is characterized by goodness and love, so as to allow that very love to well up in one's own heart. Without genuine belief, a life of faith, virtue and love becomes yet another elective "lifestyle" enjoyed while fresh and novel, but then discarded when it loses its lustre, or becomes difficult.

As for economics – along with other social sciences – I think there are deeper problems with their claims to scientific rigour than those Hirschfeld alludes to. Social sciences often proceed, not from firm and well-defined operationalizations of the objects in the domain that constitutes their field of study, but by finding *something* that can be measured and tested in a way that meets the general criteria for valid scientific investigation.

Economics reveals a somewhat crude understanding of rationality and the human good as that which fulfils desire, where desires are largely interchangeable. It is less the nature of rationality and happiness that dictate the construction of these definitions that form the basis of economic research, and more their amenability to scientific investigation. When terms are operationalized in such a way that they can be assigned a physical correlate, quantified and therefore measured, findings can be conveniently reproduced, generalized and replicated in a manner that bears the procedural features of scientific objectivity.

The problem is that the terms are amenable to measurement, but are not necessarily representative of the phenomenon they are supposedly synonymous with. Is an action "rational" when the means taken efficiently and effectively allow them to satisfy a preference? Are preferences and desires truly welfare enhancing and



Photo by Hugh Han on Unsplash

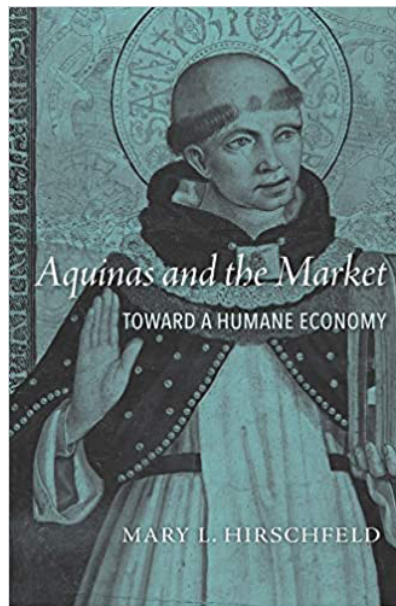
conducive to happiness, just because respondents to surveys indicate those choices are those that they "prefer"?

Through idealized models of complex realities, social science can involve the study of shadow, or imposter concepts, themselves the product of the chosen methodology, rather than the phenomenon in question. The distinction between validity and soundness is illustrative here. Take this argument: Peter is a man; Men are made happy by satisfying their preferences; therefore, Peter is made happy by satisfying his preferences. The reasoning is valid and truth-preserving from a strictly procedural perspective, but the premises omit other defining characteristics. I argue the same can be said about economics, and social science in general.

Lastly, if we are fond of Hirschfeld's proposals for how to improve economic thinking – as I am – we must be chastened by an appropriate realism. If technocracy and an agenda of constant growth are our challenges, I urge us to consider how they might be actually restrained. In a world that is increasingly interconnected, local changes are felt globally; technological improvements in one part of the world mean others must adapt to stay afloat. As many poorer countries around the world strive rightly to increase their standards of material and social well-being, while the decadent West worries obsessively about relative inequalities and their carbon footprints, it's not easy to see how anyone will be able to get off of the treadmill of relentless growth and change. As for the technocratic, control-fixated mindset, it may be harder to shake. Naturally, we look at every individual application of rational control to improve a process, solve a problem, or fulfil a desire in piecemeal fashion, which makes them appear "successful." We have little ability to step back and look at side effects and the larger whole, for the epistemological stance required to do so is not neatly amenable to the myopic vision of reductionist social science, nor would the patience and solutions required to

deal with our genuine problems be a source of the “instant gratification” we collectively crave. Taken together, I think these points go to show that the cards are stacked in favour of a continuation and furthering of the technocratic-preference-maximizer approach to life.

As all intellectually-minded people are wont to conceive of ideals and pursue them in reality by rational application, I must remind myself – as St Thomas and much of the Christian tradition does – that we must be guided by faith seeking understanding, not the other way around, in our intellectual exercises, and in how we apply the deliverances of reason and empirical investigation to



our lives. It is perhaps this change in perspective and orientation to the world of consumption, production and exchange from the micro to the macro that is most needed, and most usefully found in this book.

*Peter Copeland has a background in business, entrepreneurship, teaching and philosophy. He works in politics as a Senior Policy Advisor in the Government of Ontario and has an interest in bridging the world of ideas and public policy. He also serves as an Animator with Catholic Conscience, a Canadian civic evangelization organization devoted to raising awareness of and promoting Catholic Social Teaching.*