

ECONOMICS AND THE LIMITS OF VALUE-FREE SCIENCE

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In this paper I take issue with the statement that "as a scientist, the social scientist has no basis on which to commend one criterion for ranking, or judging, decision-rules or outcomes over another. Put another way, the social scientist is hopelessly lost as a scientific ranker of outcomes—whatever be his competence as a generator of theories or outcomes."¹

Economists, moral, legal, and political philosophers, and others have proposed various criteria in order to arrive at some systematic ability to judge the "betterness" of one outcome or procedure over another. Many of these proposals have generated protracted controversies among the social scientists and philosophers. But it has also been said that each of these criteria "suffers from the same defect: the substitution of one criterion for another will enhance the interests of others. From this dilemma there appears to be no escape."² Now this may well be true: there are and will be conflicts of interests. But why should this be a "dilemma?" Why should it make the social scientist qua scientist helpless in the face of the demand for a scientific ranking? How can the mere fact that someone feels his interests will be damaged if a particular criterion is adopted be decisive evidence for the lack of scientific merit of that criterion?

I shall try to defend the thesis that the scientist as such, and the economist qua scientist, is entitled to make certain value judgments concerning social relations, including systems of property rights defining the distribution of authority regarding the use of scarce

resources. My starting point will be a remark by Jacob Bronowski: "Those who think science is ethically neutral confuse the findings of science, which are, with the activity of science, which is not."³ The distinction between the findings of science and activity of science is of course an important one. But coupled to the very plausible insight that the scientific enterprise, because it is an activity, a search, a process of discovery and justification, cannot be ethically neutral or "value-free," it raises the question of whether 1) the findings of science can be value-free if the activity is not; and 2) the supposed ethics of science does not entitle or even commit the scientist qua scientist to make certain value judgments that are bound to involve him in what Max Weber liked to call "a battle of the gods."

My thesis is an answer to the second question. In defending it, it will be necessary to answer the first question also. Moreover, we need a formulation of the "doctrine of Wertfreiheit" that saves its deontological merits while avoiding its methodological imbroglios. In taking seriously the possibility of a scientific ranking, we should not open the gates for the cheap "Kathederverwertungen" that made the insistence on "Wertfreiheit" such an important element in scientific education.⁴ To the extent, however, that methodology is concerned with the link between the activity of science and its functions, the thesis implies that, even if in one sense "facts" and "values" are logically independent, in another sense, it would be quite illogical to believe that a scientist may without inconsistency subscribe to any value-position whatsoever (provided only that it is itself internally consistent).

THE "EXTERNAL" MORALITY OF SCIENCE

In one respect, the fact that the activity of science is not "value-free" is obvious even to the most casual observer. Value judgments influence the choice of problems to be investigated and the choice of the methods to be employed. Animal rights propagandists and those who protest against research on human embryos are too vocal to allow scientists to remain unconscious of the value judgments that guide their daily activities. However, many of these value judgments are "external" to the scientific enterprise: a particular line of research may be denounced as immoral, even criminal, and yet, however grudgingly, be recognized as an impeccable piece of work, judged from a purely "technical" point of view. The fact that some findings were arrived at in an ethically repugnant way need not jeopardize their standing as possibly significant contributions to our knowledge.

Science as an activity is embedded in a social context. We should not take the doctrine of Wertfreiheit to mean that in the search for truth the end justifies the means. On the other hand, it will be clear that the "external" morality of science, the morals of the society

within which science is embedded, cannot and should not serve as a criterion for the scientific ranking of social outcomes—that is to say, not until it has been scientifically validated.⁵ The crucial test here must be the “internal morality of science”—the ethics and politics of “the scientific community,” at least to the extent that it is a vital and essential precondition of science itself.

THE DEONTOLOGICAL REQUIREMENT OF WERTFREIHEIT

I suppose it is safe to say that the doctrine of Wertfreiheit is usually taken to mean that the truth, however unpleasant, should be pursued—or alternatively, that falsehood, illusions, and prejudice, however comforting, should be exposed. Most scientists would probably agree that Wertfreiheit is an ideal that certainly in the study of human affairs—cultural, social, economic, and political phenomena—may be difficult to attain. But even here the most common attitude is that it is quite proper to identify the value judgments (one's own or those of one's fellow scientists) that may have played a role in arriving at particular results and to point out that unless the value judgments can somehow be validated, the results that depend on them are to be treated, not as a “finding of science,” but as at best a tentative conclusion, a contribution to an ongoing discussion or a possibly fruitful suggestion for further research.

In this sense, it is rather misleading to single out value judgments pertaining to ethical, political, or cultural values and ideals. The deontological requirement of value-freedom should not be taken to involve the demand that an iron curtain be erected between “science” and “ethics.” Rather, it involves the demand for complete intellectual honesty in making clear just what the status of one's pronouncements is—“scientific truths,” hypotheses, conclusions derived from such and such premises, interpretations based on this or that evidence, meaning-postulates, etc.—and for the willingness to allow others to challenge these status-claims, whether or not they apply to ethical or political value judgments.⁶

To be sure, scientists should not reject a proposition merely or primarily on the ground that its truth would be very inconvenient or subversive from the point of view of the proponents of some metaphysical, religious, social, political, economic, or racial doctrine.⁷ And it cannot be denied that the temptation to do just that is often very great—especially when the doctrine is itself linked up with the prevailing morality of a (part of) society and so with the “external” morality of science. But then scientists should also not reject a proposition merely on the ground that its truth would be inconvenient for some prevailing scientific orthodoxy. There are fashions in science,

and there is considerable social pressure.⁸ Quite possibly the dramatic effect of insisting on Wertfreiheit is greatest when we have in mind the many blatant instances of people trying to turn what looks like science into a prop for some ideological or political cause. But its value may be greatest when it is used to combat the overhasty assignment of truth-values by the members of the scientific community themselves—to prevent a promising or fruitful idea from establishing itself as an unshakeable dogma.

It would perhaps be better to drop the term Wertfreiheit altogether, and to speak only of “freedom from prejudice.” Science represents the movement from prejudice to informed, rational judgment. This formulation does not prejudge the question of whether value judgments can or cannot embody scientific knowledge. In addition, it reminds us of the fact that scientific knowledge need not consist only of propositions of the form “We know that it is true that . . .” Such knowledge is the exception rather than the rule. Scientific knowledge consists almost entirely of propositions of the form “It is true that we do not know . . .” and “We know that it is not true . . .”

WERTFREIHEIT AND METHODOLOGY

This interpretation of the Wertfreiheit ideal is far removed from the Weberian version, which was based on the thesis that all value judgments are ultimately and irremediably and necessarily irrational, merely subjective prejudices.⁹ It is safe to say, however, that most scientists, while recognizing Weber as a champion of Wertfreiheit and remaining firmly (and justifiably) skeptical of the rhetorical argumentation of moralists and politicians, would probably refuse to make the leap into Weberian value-nihilism. And they could refuse for the good scientific reason that it would require some sort of “impossibility theorem” to justify Weber’s move from the undisputed heterogeneity of the problems of ethics and those of, say, physics, or geometry, or economics, to the conclusion that there can be no science of ethics. Weber did not supply an impossibility theorem, nor did anyone else.

Indeed, on the interpretation of Wertfreiheit given here, this Weberian leap itself violates the canon of Wertfreiheit because it denies any scientist qua scientist the right even to attempt an investigation of the validity of value judgments—and also because it is a prime example of a competent scientist using his reputation as a scientist to lend authority to a thesis that is not “scientific” at all. As Weber himself pointed out, it is not even permissible for a scientist to say that the search for knowledge and truth, the life of reason and decision based on knowledge, is objectively good, or that science is a worthwhile vocation—or even that it may be possible one day to discover the truth or validity of these judgments.¹⁰

Weber's value-skepticism, far from being "healthy," amounts to outright value-nihilism.¹¹ By denying that a scientist could eventually come up with an "objective" or rational justification of the value of science, he effectively destroyed any ground upon which to make a stand against those who claim reason is evil and knowledge to be avoided at all costs; who maintain that there is no virtue in trying to think logically, or in trying to devise critical experiments, or in striving for clarity and intellectual honesty. How can one claim that in order to judge the status of a proposition—to see whether it is certainly or only possibly true, whether it is a conclusion or a presupposition, a serious hypothesis or merely a joke—one should approach the question with the mind and attitude of a scientist, if one has already admitted that one's attachment to scientific method is just a prejudice, an irrational leap of faith, with no possibility of a rational justification?

And where does this leave the findings of science? How can one avoid the slide from healthy fact-skepticism into the abyss of fact-nihilism, if one agrees that it is just as rational to accept the findings of science as the ravings of a madman? If believing in the value of science is irrational, then so is believing in the facts of science.¹²

There can be no facts in a world without values. A "scientific fact" (*factum*) is something we have made in accordance with the art of critical judgment—it is an interpretation that derives its value entirely from the process by which we arrived at it. If science has no more value (speaking "objectively") than the fancy of a court-astrologist or the wit of the columnist of the year, then the facts as presented by the sciences cannot and should not be taken more seriously than the facts as presented by prejudice—certainly not by the Weberian scientist with his "irrational" commitment to intellectual honesty and consistency. Weber, it is true, passionately refused to make "the sacrifice of the intellect," but he had painted himself into a corner where he had to admit that the refusal could only be made passionately. Whatever his deontological intentions, Weber's doctrine of *Wertfreiheit* reaches far into the domain of methodology and turns into darkness and despair.

As Friedrich Kambartel has noted: "Those who accept (Weber's thesis that value judgments ought to be eliminated from the praxis of science because they cannot be justified), cannot even understand how mathematics can be a science."¹³ The findings of mathematics can have no transsubjective validity if the methodical norms that make it possible are denied such validity.

THE IS AND THE OUGHT

Weber may have thought the thesis that one cannot derive an "ought" from an "is" justifies his doctrine.¹⁴ It does not—no more

than the impossibility of deriving anything that might be a theorem of economics from all the theorems and reports in all of the literature on physics or chemistry, justifies the conclusion that there can be no science of economics.

In order to oppose the Weberian doctrine of Wertfreiheit we do not have to deny the gap between "is" and "ought"—only that we are exclusively on one side of it, viz., on the side of the "is." There is no *a priori* reason why there could not be normative principles that can be asserted with as much reason as any finding of scientific fact. On the contrary: the reason for accepting a scientific fact or proposition as true (i.e., worthy of belief) or as worthy of further consideration, depends entirely on the conformity of the cognitive practice that produced it with the cognitive ideal and the norms that constitute it. If it were not for the fact that we ought to be reasonable, it would not be unreasonable to deny that anything ought to be believed because it is "a fact."

That we ought to be reasonable is the most fundamental, the most indubitable fact of all—the fact without which nothing else can be a fact. And this fact, let it be noted, is expressed by means of a proposition that is neither a mere formal tautology nor an empirically falsifiable proposition—a characteristic it shares with such other facts as that we are rational beings or that we are purposive agents.¹⁵ There is no way in which *we* could hope to falsify such propositions, although, because we are rational, we can easily imagine another kind of rational entity, say: a god, for whom it would be possible to assert, without contradiction, that we are not rational agents, or that, if we are, we nevertheless ought not to be reasonable. Philosophers have known for a long time that the logical import of a sentence may undergo a radical change if, without modifying its grammatical structure, we change the subject from the third person to the first person. "The liar" is perhaps the most famous instance of this phenomenon.¹⁶ It should not be surprising, then, that a proposition may be a necessary truth *sub specie rationis humanae*, when it is no more than an empirically falsifiable proposition *sub specie aeternitatis*. And surely, while it may make sense for a god to measure the science human beings are capable of with the yardstick of his "scientia divina," a human scientist should not forget that, at least in epistemology and methodology, "man is the measure of all things."

We can assert, bluntly, that we ought not to be reasonable, but if we do we should not add insult to injury by spelling out the "reasons" why we ought to accept that position. We cannot reasonably deny that we ought to be reasonable: anyone who ponders, i.e., seeks an answer to, the question of whether or not we ought to be reasonable, must arrive at the conclusion that we ought.¹⁷ We cannot reasonably deny this fact, which has been known at least since Aristotle, in his *Protrepticus*, argued that the question of whether we ought to philosophize or not, logically permits only

one answer—that we ought to philosophize.¹⁸ (And let us note here that at least one economist, Ludwig von Mises, has claimed that economics, as a science of human action, should rest on the non-tautological, yet meaningful and nonfalsifiable proposition that man is a rational agent—i.e., on a fact of the same epistemological status as the one we are considering here.)¹⁹ Against Weber we must accept that there can be no fact without values and no objective or transsubjective facts without objective or transsubjective values. Science does not require a leap of faith: there can be a science of ethics and therefore also an ethics of science that is quite objective if it conforms to the normative facts as discussed by the science of ethics. Still, ethical judgments are not infallible. Although it is nonsense to say that the findings of a science are “value-free,” it makes perfectly good sense to claim that no prejudice should be allowed to survive in the development of a science of ethics. There is, then, a sense in which the doctrine of *Wertfreiheit* applies to ethics too—and, if I am right, it is the same sense in which it applies to every science. And to say that we ought not to tolerate the survival of prejudice, is but another way of saying that we ought to be reasonable. And if it is the self-imposed mission of science to effect the movement from prejudice to informed, rational judgment, then we need have no qualms about affirming the objective ethical value of the scientific enterprise.

SCIENCE AND THE POLITICS OF DIALOGUE

There can be no more fundamental truth than that we ought to be reasonable. Science is man’s attempt to rise to this challenge in the field of judgment. But this means that the scientific undertaking cannot be a solitary enterprise. There is no way an individual can break out of the prison of “the evident,” no way he can even identify, let alone begin to question, his prejudices, unless he has come to understand that what is evident to him may not be evident to another and that his point of view is not the only one. Science is a dialogical undertaking: it requires that we make public what we think and try to refute what we believe we ought not to accept, and try to prove what we believe we ought to believe—it requires that we give our reasons.²⁰ But this is only part of the story. A dialogue is not just a solitary monologue, nor even a monologue delivered in front of an audience. Neither is it a debate: the aim of the participants may be to defeat one another in a debate—this may even be their only motive—but it is not victory or defeat in debates that marks the progress of science. Nor is a dialogue a collective deliberation aiming at a collective decision binding on all, to be accepted by all and questioned by none: truth is not a matter for decision.²¹

We cannot be reasonable unless we are prepared to judge only in

the light of reason—that is unless we are prepared to accept that whatever can be questioned may (and ultimately ought to) be questioned, and that there are no answers anyone ought to accept if he or she cannot understand why it would be unreasonable not to do so. A dialogue is an argumentative, not a persuasive, not a rhetorical exchange: the aim of participation is to understand others in order to make oneself understood in order to allow others the opportunity to indicate just why their understanding of one's point of view does or does not appear to them sufficient reason to share it.²²

No doubt, rational dialogical discussion is rare, even in the history of science. But that does not mean that it is wrong to say that history derives its unity from the fact that the scientific enterprise is an ongoing, open, unprejudiced, nonauthoritarian and nonpersuasive dialogue—no matter how great the interest of particular individuals in winning the debates or in having their views accepted as official or holy writ. Bronowski said it well: “The values of science derive neither from the virtues of its members, nor from the finger-wagging codes of conduct by which every profession reminds itself to be good. They have grown out of the practice of science, because they are the inescapable conditions for its practice.”²³ A not inconsiderable, though not formalized, part of a scientific education consists in learning to respect the ethics of the dialogue—to allow others to question one's most sincere convictions and to refrain from claiming too much for them unless one has answered their questions: to refrain from using rewards or punishments—promises or threats—as means for securing the agreement of others; to refuse to argue against one's better judgment; and to insist that others do likewise. But most of all: to respect the dialogical rights of others—their right to speak or not to speak, to listen or not to listen, to use their own judgment.

That we ought to respect these rights, recognized in the practice of science, follows from the fundamental norm that we ought to be reasonable—that one ought to respect rational nature, both in oneself and in others; that one ought to cultivate one's own reason and ought to allow others to do the same. This requirement of respect for the rational autonomy of every participant turns the dialogue into the primary political institution for preventing prejudice from establishing itself as an impregnable barrier against free and independent thought, and so for making science possible.²⁴

Once we have exorcized the ghost of Weberian value-nihilism with its consequent fact-nihilism, we can see why it is inconsistent for a scientist to claim transsubjective validity for the findings of science while disclaiming any such validity for the ethical and political norms that define the practice of science (and philosophy), which, to quote Kuno Lorenz, “may be understood to be the unfinished attempt, in an open dialogue to strive for an uncoerced consensus in all fields of knowledge,”²⁵ and to realize the goal of mutual

enlightenment. The scientist *qua* scientist, i.e., regardless of the particular discipline he or she has chosen to work in, is not only entitled, but logically committed, to uphold the ethical and political value judgments that make science possible. In fact, the scientist *qua* rational being cannot reasonably deny that the question, whether or not one ought to be reasonable, logically permits only one answer, the affirmative one, and so cannot but accept whatever follows from it.

It may seem strange that Plato, the undisputed master of the dialogue as understood here, failed to draw any political conclusions from it. His philosopher-kings did not engage in dialogue, and they had no place in their cities for the institution of the dialogue. Even Plato's second-best solution, as presented in *The Laws*, has no room for the institution of the dialogue: its aim is to arrest evolution (i.e., further decline and corruption) by a strict enforcement of discipline based on traditional, not-to-be-questioned laws. In his attempt to rescue the good city from the effects of sophistry and demagoguery, Plato was willing to sacrifice the Socratic dialogue as a model of human interaction, and to uphold the very nonhuman ideal of non-argumentative knowledge.

There can, however, be a human history of science only where there are no philosopher-kings; only where the principle of philosophy, i.e., the dialogue as a political institution, with its jealous regard for the right of all people to act on their own judgment, prevents all philosophers or scientists from consolidating their eminence or leadership among their followers into a legal authority that cannot tolerate dissent.

SPEECH AND ACTION

If science were a matter of revelation, it would be indifferent between any two political regimes. As it is, it is illogical for scientists not to see that *qua* scientists they must support that system or regime that best conforms to the dialogical requirements: a scientifically or philosophically defensible political system must be one in which science and philosophy can come into their own—not just as elitist and esoteric pursuits subject to special rules which set them apart from the rest of society, but as ethical ideals that pervade all human activities. In what other sense can “the unity of theory and practice” be a valid idea?

Because the fundamental “ought” cannot be restricted to a particular kind of activity, the requirement of reasonableness applies across-the-board to every human endeavor. It applies to action no less than speech. Human action always rests upon and involves judgment. Scientific or theoretical knowledge is not essentially or qualitatively different from “ordinary” or practical knowledge.

"The intellectual methods of science do not differ in kind from those applied by the common man in his daily mundane reasoning. The scientist...merely uses them more skillfully and cautiously."²⁶ Neither science nor "our daily mundane reasoning" fare well if we do not see the continuity or do not recognize that both equally face the challenge of reasonableness.

If the ethical and political requirements of the dialogue are valid for science, then they are universally valid wherever judgment and decision based on knowledge may be involved. They derive their validity, not from any particularity of the scientific enterprise as such, but from the fundamental fact of our existence as moral (i.e., rational) beings. They cannot plausibly be restricted to the recognized "intellectual pursuits" (recognized, that is, by the self-styled "intellectuals"). The required respect for every person's rational autonomy is founded in our rationality (proven by our ability to enter into dialogical relationships), not in any professional or class solidarity.

There is, then, a glaring inconsistency in the views of those who defend "free speech" and "the free market in ideas" but attack freedom of action and the free market in goods and services. It is true that this inconsistency has been absorbed into the very fabric of our culture, which, with its long tradition of dualism (mind vs. body, culture vs. economy, supernature vs. nature) has succeeded very well in making the differential treatment respectable.

The inconsistency of separating speech and action is also masked by the adoption of the definition of democracy as "government by discussion." But, as mentioned earlier, the goal of a dialogical discussion is not to arrive at a collective decision, binding on all, whether or not all have come to the conclusion that the decision is, all things considered, the right one. In a culture where there is a tradition of discussion, i.e., a dialogical tradition, people can at any time come to it as if to a stream, to refresh their minds and to gain in understanding, and leave to take their chances on their own responsibility, without having to abide by any collective decision or having to ask anybody's permission. The "free market in ideas" is merely another name for the dialogical process and its underlying structures of rights. But we should not forget that goods and services too incorporate ideas and theories. Production, as Mises liked to say, "is not something physical, material, and external; it is a spiritual and intellectual phenomenon....Man produces by dint of his reason...: the theories and poems, the cathedrals and the symphonies, the motor-cars and the airplanes."²⁷ Also: "thinking itself (is) an action, proceeding step by step from the less satisfactory state of insufficient cognizance to the more satisfactory state of better insight."²⁸

If the ethics and politics of the dialogue are valid for speech, they are also valid for action. Respect for the rational autonomy of an agent is just as much a requirement of reasonableness as respect for the rational autonomy of a speaker.²⁹

ECONOMICS AND THE POLITICS OF DIALOGUE

As a scientist, then, the economist is entitled to urge the adoption of the political requirements of dialogical interaction and to rank social relationships according to that standard. Of course, in a world in which many people coexist, and which, partly because of the fact, exhibits the phenomenon of scarcity, there is no possibility of respecting another unless one can define both oneself and the other, at least in the sense of the ability to determine where the one ends and the other begins.³⁰ In verbal communication the boundary is obvious enough: people are biologically distinct entities. But in other sorts of interaction the situation is different: people use many "things" that are not part of their biological organism, and when they use them they turn them into means for the realization of their purposes—they bestow a meaning on them (grain becomes food, clay becomes building material, and so on.) But many different people could use the same "thing" as means for many different and incompatible purposes. (Does the grain become food for human beings or for someone's collection of exotic birds? Does it become "my food" or "your food"?). In order to respect others as rational agents we must know the distinction between "mine" and "thine."

Now this knowledge is already implicit in the knowledge that the other fellow is another person. One who has turned a mere "thing" into a means has produced (in the fullest sense: created) the means, because where previously there was only a thing, there now is a means, something that actually serves a human purpose. The thing has been transformed into a good by the purposive activity of some person. It is therefore his and not anybody else's and remains his as long as he has not given it away, exchanged it for something else, or abandoned it. It is his in the sense of being an embodiment of his judgment, of his capacities and designs.³¹ If we are to respect the person we ought also to respect what is his, otherwise we would deny him the right to act on his own judgment, and thereby destroy the dialogical relationship.

We can argue that, all things considered, the world would be a better place if some resources were owned (i.e., had been brought into use or otherwise produced) by different persons than the ones who did. But even if this is our conclusion, it would not entitle us to effect the "appropriate" redistribution against the will of the persons concerned. Nor does it entitle us to force them to use such resources in the way those who did not (but should have) acquire(d) ownership would have used them—supposing we somehow knew anything about this. Maybe the world would have been a better place if there were no quantum-physicists, or no Christians, etc., but under the rules of dialogue that conviction does not entitle anybody to take steps to outlaw quantum-physics, or Christianity, and so on. It does not matter whether we base our conclusion on some ethical or

religious doctrine or on consideration of “utility” or “efficiency.” The label we apply to our arguments does not justify an infringement of the basic requirements of reasonableness, which is that we respect the rational autonomy of the other, both as an agent and as a speaker.

I have not the space to do more than just suggest that the dialogical requirements can easily be transformed into a general statement of the principles of private property and uncoerced exchange, i.e., of the freedom of every individual to use his or her own means (but no one else’s) as he or she wills. This, I suggest, is the fundamental political truth.³² Of course, just as in a conversation, mere respect for the rules of the game does not guarantee the quality of lives people lead. It is just as possible to argue persuasively or rhetorically or to talk nonsense without infringing the political structure of the dialogue—which implies the right not to listen or to disengage oneself from any particular conversation—as it is to waste one’s resources, one’s life, without infringing that political structure of rights. But if this is to say that, from the point of view of an individual agent, political virtue (i.e., respect for the rational autonomy of the other) is not enough—because he still needs an ethic to make good use of, to respect, his own rational nature—then we must nevertheless insist that this political virtue may well be the only one that has transsubjective validity. The general requirement of reasonableness tells us that we ought to develop, each one of us, such a personal ethic, but not which one. It is possible that each person has to discover it for himself, and that there is no way to articulate the knowledge involved so as to turn it into an objective theory—a theory that comes with a full declaration of all its conditions of application and requisite background knowledge. The knowledge involved in such a personal ethic may be, in the truest sense of the word, personal knowledge—person-relative (and therefore not absolute or universalizable) and yet objective (because pertaining to the reality of the person and not to his possibly mistaken self-conception).

An immediate consequence of this is that within the framework of the political order based on the principle of rational autonomy, an almost infinite variety of social forms of cooperation and co-existence is possible, each with its own particular challenges and opportunities.³³ Thus we should expect to find that in some communities or societies some property rights are valued less than others and consequently are either not enforced at all or else are enforced in a lackluster manner. Similarly, conventions regarding the exact delimitation of various property rights, or regarding the interpretation of the meaning of various acts and words, may vary considerably from one time or place to another. The nearly universal institution of “marriage” is an example of the immense variety of meanings and conventions that may come into play. The test is political, not ethical in the sense of conformity to anyone’s particular

conception of the good life. It is one thing to say "If I were you," it is another to forget that that is always and necessarily a counterfactual judgment that can never be tested.

The importance of this political dimension—and of keeping it as a regulative principle above any particular doctrine (whether of personal ethics or of economic organization or of social propriety) is obviously methodological. For the requirement of reasonableness is that any doctrine, whatever claims are made for it, be considered, not as a final proposition to be disputed no further, but as a contribution to a public discussion or dialogue. As such it must be capable of being taught and so of being learned. This teaching and learning is to be distinguished from drill and indoctrination. It requires that the doctrine be presented together with methods for testing and evaluating it—which means that it must be presented in a context that leaves open the possibility of comparing it to alternatives (i.e., of experimenting with alternatives) and of rejecting it altogether.³⁴ And where these doctrines pertain to action, to ways of life, such teaching and learning must of necessity take place in an open society where the liberty of all is guaranteed by the universal respect for the autonomy of every individual, not just as a speaker, but also and perhaps primarily as an agent—for it is only in action that a speaker can prove that he means what he says, or that he has accepted what he has been taught.

ECONOMIC POLICY PRESCRIPTIONS

It appears that economists can without the least scientific impropriety advocate policy prescriptions that are intended to move the legal framework of the society in the direction of a greater respect for the rational autonomy of every human participant and the property rights that are implied by it. It follows from this that it is emphatically not the business of an economist to assume that, because the observed behavior of people is consistent with their having the preferences that define, say, a prisoners' dilemma, they are in a prisoners' dilemma type of situation; and to conclude that it is therefore unequivocally a good thing to restrict their (and other people's) property rights so as to prevent them from realizing the "non-cooperative" outcome.³⁵ Their observed behavior may be consistent with their having other preferences than those required for prisoner's dilemma types of situations. It is a methodological mistake³⁶ to make the transition from observed behavior to a well-defined underlying preference-structure when there may be any number of alternatives. Furthermore, it is deontologically improper to make that transition with little more reason than to be able to secure the production of some good (conveniently dubbed "public") without considering its costs (the goods, whether private or public, that would have been realized if the resources needed for their production had not been tied up in one particular imposed project).³⁷

There can be no justification for basing policy prescriptions that affect real men and women—on the conclusions from an argument that assumes all agents to conform to behavioral postulates of some theory that allows us to predict what the agents will do when we know the objective pay offs associated with the alternative actions. There is no point in terming a real action by a real person inefficient because it does not match the predicted action of a theoretical construct in some economist's model of the world.

Of course, an external standard has to be imposed in order to make meaningful judgments of efficiency. From a purely subjective point of view, every action is efficient (from the standpoint of the agent, at the time of action) and inefficient (for there is bound to be someone else for whom that action was not "the best" that could have been taken). Unless we once again go the route of interpersonal utility-comparison, not those performed by the agents themselves (for that would not solve the problem), but such as would be performed by a unanimous body of economists, we must be able to determine which (i.e., whose) subjective point of view shall be taken into account. In other words, we can only say that an action is efficient relative to a given property rights structure (if it does not involve the infringement of any element in that structure). But the normative import of such a statement is obviously nil unless we are in a position to rank such structures according to some objective criterion (which cannot be "efficiency").³⁸ A final remark: the political judgment I have presented does, of course, rule out a number of other political judgments. For example, political socialism does not fit the requirement of reasonableness. But that is not to say that in some circumstances some people might not quite reasonably conclude that the best use they can make of their freedom is to organize a form of association that can only be described as "socialism." Such experiments are quite legitimate as long as they are introduced in the spirit of dialogue and remain throughout "a use of one's rational autonomy," without becoming pretexts for limiting it.³⁹

1. William Stubblebine, "On Property Rights and Institutions," in ed. H.G. Manne, *The Economics of Legal Relationships: Readings in the Theory of Property Rights* (St. Paul, Minn.: West Publishing, 1975), p. 14.

2. Ibid. Some of the criteria mentioned are: Pareto-optimality, Kaldor-Hicks-Scitovsky compensations tests, equality of rates of substitution, preservation of competition, majority rule.

3. Jacob Bronowski, *Science and Human Values* (N.Y.: Harper & Row, 1972), p. 63s.

4. Carl Menger, *Problems of Economics and Sociology* (Urbana: University of Illinois, 1963), pp. 235-257; Joseph Schumpeter, *History of Economic Analysis* (London: Oxford University Press, 1954), p. 802; Max Weber, "Der Sinn der 'Wertfreiheit' der soziologischen und ökonomischen Wissenschaften," in Weber, *Gesammelte Aufsätze zur Wissenschaftslehre*, 4th ed. (Tübingen: J.C.B. Mohr, 1974), pp. 489-540.

5. Economists appear to have a hard time avoiding appeals to popular opinion. The following is neither atypical nor dated: "The case for drastic progression in taxation must be rested on the case against inequality—on the ethical or aesthetic judgment that the prevailing distribution of wealth and income reveals a degree (and/or kind) of inequality which is distinctly evil or unlovely." H.C. Simons, *Personal Income Taxation* (Chicago: Chicago University Press, 1938), p. 18. Cf. W.A. Weisskopf, *Alienation and Economics* (N.Y.: Dell, 1971), chap. 3; T.M. Hutchison, *'Positive' Economics and Policy Objectives* (Cambridge, Mass.: Harvard University Press, 1964); Gunnar Myrdal, *The Political Element in the Development of Economic Theory* (Cambridge, Mass.: Harvard University Press, 1954); and Myrdal, *Value in Social Theory* (London: Routledge & Kegan Paul, 1958).
6. Myrdal, *The Political Element in the Development of Economic Theory*, p. viii, insists on making value judgments quite explicit. Weber, *Gesammelte Aufsatze zur Wissenschaftslehre*, p. 491, says it is "ein Gebot der Intellektuellen Rechtschaffenheit." See Weber, p. 511, for the conditions under which "Werungsdiskussionen...ihren sehr erheblichen Sinn haben."
7. Weber, *Gesammelte Aufsatze zur Wissenschaftslehre*, p. 603: "Wenn jemand ein brauchbar Lehrer ist, dann ist es seine erste Aufgabe, seine Schuler unbequeme Tatsachen anzuerkennen zu lehren, solche meine ich, die fur seine Parteimeinung unbekuem sind" (from "Wissenschaft als Beruf").
8. The descriptive truth of this observation cannot be denied, nor its relevance for the history of science. See Thomas Kuhn, *The Structure of Scientific Revolutions* (Chicago: University of Chicago Press, 1970), and the science of science approach generally, but it should not become a pretext—cf. Karl Popper, "The Myth of the Frame-Work," in ed. E. Freeman, *The Abdication of Philosophy: Essays in Honor of P.A. Schilpp* (LaSalle, Ill.: Open Court, 1976).
9. Weber, *Gesammelte Aufsatze zur Wissenschaftslehre*, p. 608: "Uberall freilich geht diese Annahme, die ich Ihnen hier vortrage, aus von dem einen Grundsachverhalt: dass das Leben, solange es in sich selbst beruht und aus sich selbst verstanden wird, nur den ewigen Kampf jener Gotter miteinander kennt—unbildlich gesprochen: die Unvereinbarkeit und also die Unaustragbarkeit des Kampfes der letzten ueberhaupt moglichen Standpunkte zum Leben, die Notwendigkeit also: zwischen ihnen sich zu entscheiden."
10. Ibid., p. 609.
11. L. Strauss, *Natural Right and History* (Chicago: University of Chicago Press, 1965), pp. 35-85.
12. Karl Popper, *The Logic of Scientific Discovery* (London: Hutchison, 1974), pp. 59-77; Ludwig von Mises, *Human Action: A Treatise on Economics* (Chicago: Regnery, 1966), p. 647; Mises, *Epistemological Problems of Economics* (N.Y.: New York University Press, 1981). It is now generally accepted that even simple factual descriptions are thoroughly "theory-laden."
13. F. Kambartel, "Ethik und Mathematik," in eds. F. Kambartel and J. Mittelstrass, *Zum Normativen Fundament der Wissenschaft* (Frankfurt: Athenaum Verlag, 1973), p. 129.
14. For reasons I cannot go into here, I do not accept J.R. Searle's claim to have derived an "ought" from "is." See Searle, *Speech Acts: An Essay in Philosophy of Language* (Cambridge: Cambridge University Press, 1969).
15. Frank Van Dun, *Het Fundamenteel Rechtsbeginsel: Een essay over de grondslagen van het recht* (Antwerpen: Kluwer-Rechtswetenschappen, 1983), pp. 161-175.
16. J. Mackie, *Truth, Probability and Paradox* (London: Oxford University Press, 1973), pp. 237-295; J.M. Boyle, Jr., G. Grisez, and O. Tollefson, *Free Choice—A Self-Referential Argument* (Notre Dame, Ind.: University of Notre Dame Press, 1976), pp. 281-286.
17. Van Dun, "The Philosophy of Argument and the Logic of Common Morality," in eds. E.M. Barth and J.L. Martens, *Argumentation: Approaches to Theory Formation* (Amsterdam: John Benjamins, 1982), pp. 281-286.
18. V. Rose, ed., *Aristotelis Fragmenta*, frag. 51. Cf. W. Kneale and M. Kneale, *The Development of Logic* (London: Oxford University Press, 1971), p. 96.
19. I mention this here because it seems to me to warrant an attempt to accomplish a

- unity of the *humane studies* project on a single epistemological basis.
20. Karl Popper, *The Open Society and Its Enemies* (London: Routledge & Kegan Paul, 1966), p. 217.
21. E. De Strycker, *De kunst van het gesprek. Wat waren de dialogen van Plato?* (Antwerpen: De Nederlandse Boekhandel, 1976); Kambartel, "Ethik und Mathematik"; and Platoss's *Gorgias*.
22. Van Dun, *Het Fundamenteel Rechtsbeginsel*, pp. v-viii.
23. Bronowski, *Science and Human Value*, p. 60.
24. G. Calogero, *Filosofia del Dialogo* (Milano: Edizioni di Communista, 1977); Van Dun, *Het Fundamenteel Rechtsbeginsel*, pp. 417-441.
25. Kuni Lorenz, "La Science pour la science. Bemerkungen zum umstrittenen Autonomie der Wissenschaften," in eds. Kambartel and Mittelstrass, *Zum Normativen Fundament der Wissenschaft*, p. 90.
26. Mises, *Human Action*, p. 58.
27. Ibid., pp. 141ff.
28. Ibid., p. 99.
29. A. Director, "The Parity of the Market Place," in Manne, *The Economics of Legal Relationships*, p. 105.
30. This section summarizes some conclusions from chapter 3 of my book, Van Dun, *Het Fundamenteel Rechtsbeginsel*.
31. Henri LePage has provided a useful overview of some of the relevant literature in *Pourquoi la Propriété* (Paris: Hachette, Pluriel, 1985).
32. It goes without saying that the principle of rational autonomy, i.e., of private property and uncoerced exchange, does not commit one to defend any particular legal title of property. It should not be presupposed nor held to be self-evident that any particular legal system has in fact developed without any violation of that principle.
33. Robert Nozick, *Anarchy, State and Utopia* (New York: Basic Books, 1964), pp. 297-334, and the very relevant qualification in David Norton, *Personal Destinies: A Philosophy of Ethical Individualism* (Princeton: Princeton University Press, 1976), note on pp. 336ff.
34. O. Schwemmer, "Grundlagen einer normativen Ethik," in eds. Kambartel and Mittelstrass, *Zum Normativen Fundament der Wissenschaft*, pp. 160ff; Friedrich Hayek, *The Constitution of Liberty* (London: Routledge & Kegan Paul, 1969), pp. 22-38, 54-70.
35. James Buchanan, "Is Economics a Science of Choice?", in ed. E. Streissler, *Roads to Freedom: Essays in Honor of F.A. Hayek* (London: Routledge & Kegan Paul, 1969), 56-62; and Van Dun, "Collective Action, Human Nature, and the Possibility of Anarchy," pp. 63-76.
36. J.C. Harsanyi, "A General Theory of Rational Behavior in Game Situations," in *Econometrica* 34 (1966), pp. 613 ff.
37. Mises, *Human Action*, pp. 658-660.
38. Cf. the discussions by M. Rizzo, Murray Rothbard, Harold Demsetz, and J.B. Egger in Rizzo, *Time, Uncertainty and Disequilibrium* (Lexington, Mass.: Lexington Books, 1979).
39. I wish to thank professors William Grampp and Leonard Liggio and the Hayek Fund for giving me the opportunity to present this paper to the "History of Economics Society Conference" at George Mason University, Fairfax, Va., in May 1985.