

The Good Life in the History of Economic Thought

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Abstract

Economics is traditionally seen as a “neutral”, objective, and purely “technical” science. Nevertheless, modern economics holds a specific view of the good life which can be deduced from the norms implicit in authoritative graduate textbooks. The “ideal man” is indeed portrayed as free, deliberate, solitary, logical, consistent, maximizing, waste-averse and impartial. Based on a certain idea of freedom and fairness, such a picture is at the same time individualistic, materialist, pecuniary, consumerist, and “short-termist”. This conception of the good life arguably enjoys a great deal of consensus in modern economics. A study of the history of economic thought shows, however, that this particular view has not always prevailed in the discipline. In fact, our analysis of several important economic thinkers over time demonstrates the inherent eclecticism of economics regarding normative concerns.

The “pre-classical” period – represented here by Aristotle, Aquinas and Mun – developed a teleological conceptualization of the good life that saw its “end goal” in “human flourishing”, “salvation” and “state power” respectively. Adam Smith’s vision of the good life, which revolved around the individual, work and production, called for “social harmony” and “benevolent empathy.” Karl Marx proposed a communal interpretation based on a certain idea of equality and which centered on rebellion, atheism, “productive labor”, and the eventual establishment of “communist relationships.” Thorstein Veblen promoted an understanding of the good life along the virtues of simplicity and “workmanship”, which was deeply rooted in an ethics of moderation and earnestness. Finally, Keynes saw the good life in purpose, inquiry and imagination as embodied in the “life of the mind.”

Despite its superficial “objectivity”, modern economics constitutes a normative claim of its own. While certain conceptual similarities can be detected, our account of the good life in the history of economic thought proves to be neither linear nor monolithic. In fact, one can find a plurality of normative interpretations diverging from the predominant “modern picture”. Furthermore, the economic science’s position on the good life is best seen as a disrupted evolution. As a result, there seem to be few legitimate reasons left to continue taking for granted such a consensual picture and not challenging the assumptions it holds or the implicit claims it makes. Considering the changing nature of economics’ conceptualization of the good life over time, one ought finally to wonder about the potential evolution of the “modern picture” in the future.

Introduction

The “good life” corresponds to a certain opinion on how one should live his or her life. It refers to the philosophical notion of “fulfillment”. Pursuit of the good life is not intuitively associated with economic science. Modern economics, seen today as an “objective” and technical science, appears in fact not to be “concerned” with such an inherently normative notion. The good life is more “naturally” or “traditionally” addressed through moral philosophy. Our subject is nevertheless interesting for three main reasons. The first one is fairly self-explanatory and has to do with the idea of having a general conception of what does the good life or “fulfillment” mean to us. Secondly, the good life in economics is interesting in the light of modern economics’ “objectivity”; one can ask: Is economics truly value-free? Has it always been? Finally, the critical influence of economic science on public policy, decision-making and people’s behavior makes our topic even more interesting. This paper aims to analyze the discussion of the good life throughout the history of economic thought and to compare it with the view held by modern economics today.

Economics finds its origins in moral philosophy and was a natural subject of interest for thinkers like Aristotle (384-322 BC) and Thomas Aquinas (1225-1274). Economics started to turn into a “science” with the late 18th century rise of the “classical” school of thought featuring Adam Smith, David Ricardo, and Robert Malthus. The long “pre-classical” era included a wide range of traditions such as, among others, the Ancients, the Scholastics, the Mercantilists and the Physiocrats. In *The Politics*, Aristotle defines the good life as “human flourishing” in relation to his natural law philosophy. In the *Summa Theologica*, scholastical thinker Thomas Aquinas, also an “economist”,

conceives of the good life as “salvation”. In *England’s Treasure by Foreign Trade*, mercantilist scholar Thomas Mun (1571-1641) puts forth the notion of “state power” as the end of all activities. In fact, these thinkers applied a teleological framework to economics: the good life was seen as an “endpoint”, a *telos*. The “pre-classical” period represents a certain approach to economics that merges moral philosophy and “science”; an approach in which economics is subjected to the normative organization of society by “politics”. Economists were interested in explaining economic interactions but also prescribing a (teleological) vision of life and how it should be lived. In that, it apparently contrasts with modern economics.

We shall therefore begin our project with the examination of the modern economics picture, as embodied in graduate economics textbooks. The main relevance of our enterprise lies in the idea that economic science has not historically perceived the good life in the way currently assumed by modern economics. A look at several important economic thinkers will effectively show the eclecticism and the multiplicity of interpretations found in economics over time regarding the good life. Following our presentation of the modern textbook picture, we shall turn to the respective understandings of Adam Smith, Karl Marx, Thorstein Veblen and John Maynard Keynes. Though this selection remains both arbitrary and limited, one can nonetheless expect a representative account of how the good life has historically been portrayed.

The position of economic science on the good life is complex. Modern economics is in fact more “normative” (i.e., less value-free) than commonly believed. Its conception of the good life is furthermore different from the ones prescribed by other thinkers in economic history. The discussion of the good life is indeed best seen as a disrupted

evolution. On the one hand, the modern view effectively reflects, to some extent, the progressive unfolding of specific trends and arguably shares certain notions with prior conceptions of the good life (hence conferring a sense of continuity). On the other hand, the graduate economics textbook approach legitimately constitutes a normative claim of its own in the history of economic thought (thus asserting its particularity). In general, this normative stance appears less tied to “morality” (here broadly understood as “good”, positive values) than previous interpretations. Modern economics seems less concerned with debating ethics than many past economic traditions. That, however, does not make modern economics a less “moral” discipline *per se*.

Overall, there now seem to be few legitimate reasons to continue taking for granted this modern picture and not challenging the assumptions it holds or the implicit claims it makes. Considering the changing nature of economics’ perception of the good life throughout time, one can finally wonder about the potential evolution of the modern view in the future. In that regard, the development of economics as a science sheds light on the tremendous influence of assumptions and modeling on the discussion of the good life. In the end, our main finding reveals that the concept of the good life does not follow a linear evolution and that its conceptualization by economics is not monolithic over time. Actually, the history of economic thought – including modern economics – is filled with singular and contrasting insights on how to live the good life; a fact too little known indeed.

I: The Modern Economics Textbook Approach to the Good Life

“Extracting” the implicit norm of a modern graduate textbook is a difficult task because of the specific evolution of economics and its eventual transformation – at least on the surface – into a “neutral” and “technical” discipline. In fact, very few PhD dissertations or research proposals nowadays delve into normative matters. Economics, it appears, has disassociated itself – quite voluntarily in fact – from more holistic concerns such as the good life. That, however, is only partly true. Modern economics textbooks (we chose here to focus on *Microeconomic Theory*, the widely-respected work of Mas-Colell, Whinston, & Green, 1995) indeed reflect economics’ supposed prescriptive neutrality but also hold very concrete normative beliefs, though in a rather subtle fashion. Concepts such as rationality, self-interest, utility maximization, efficiency or Pareto optimality are effectively full of normative – and indeed ethical – substance. Modern textbooks contain an idea of the good life based on a certain understanding of liberty, intentionality, individuality, rationality, coherence, quantitative and pecuniary worth, efficiency, competition and equal opportunity. The good life is thus embodied in the free, deliberate, solitary, logical, consistent, maximizing, waste-averse and impartial economic agent. Nevertheless, such a prescription also proves individualistic, materialistic, pecuniary, consumerist, and “short-termist”. In conclusion, I shall construct the picture of a person leading the good life from my understanding of modern economics’ norms.

Early economic thought, as embodied in the works of Aristotle, Aquinas and Smith (philosophers all), possessed deep roots in moral philosophy and directly addressed the question “How should humans live their lives?” Modern economics textbooks,

however, intrinsically lack a clear discussion of the good life. The vague concept of utility is presented as the standard objective yet no official definition of it is provided besides some connection with “satisfaction”. All we are told is that “in economics, we often describe preference relations by means of utility functions” (Mas-Colell, Whinston, & Green, 1995, pp.8-9).¹ In a sense, economics only addresses how to best (i.e., as we will see, how to most efficiently) pursue such preferences, whichever they may be. The scheme is utilitarian but supposedly “neutral”. Mas-Colell et al. even write that microeconomic theory only “aims to model economic activity as an interaction of individual economic agents pursuing their private interests” (p.3). The economic science is now viewed (but also perceives itself) as separate from “normative questions”; subjects inherently destined for political science if not ethics. The discussion of the good life seems exogenous to such a purely “scientific”, technical, and intentionally “neutral” enterprise. Nonetheless, a closer look at the material contradicts this claim of neutrality.

The good life as presented in modern economics textbooks is first and foremost based on a certain idea of *freedom*. According to Mas-Colell et al., “individuals in a market economy are free to trade” (1995, p.307). Freedom of action is the norm and freedom of expression can arguably be deduced from the importance given to utility – and therefore to *preferences* – within the body of thought. Determinism and constraints on free thinking are unspoken of. Modern economics also seems to grant a high degree of *intentionality* in terms of economic agency: actions are voluntary. They may be affected but are not constrained by forces external to the individual. On the other hand, the textbook perspective arguably narrows – if not limits – the “acceptable” spectrum of liberty for individuals both in intensity and type of activity (i.e., trade, consumption,

¹ Subsequent citations of Mas-Colell et al. in this chapter all refer to Mas-Colell, Whinston, & Green, 1995.

production only). The consumer is but a passive price taker, as “prices are beyond (her) influence” (p.20). In spite of such limitations, *individual liberty* and *intentionality* nevertheless remain the pillars of the good life in modern economics. The happy man is free and deliberate.

Based on personal freedom, modern economics presents a fundamentally individualistic picture of man in the isolated, competitive and exclusive senses of the term. We are told first that “policy making should not be paternalistic” (Mas-Colell et al., 1995, p.818), which means that the individual agent remains the center of decision and the primary reference frame of economics. The good life is individualist and solitary *per se*. Consistent with this idea of individual reference is the definition of an “externality”: namely, “whenever the well-being of a consumer (...) (is) directly affected by the actions of another agent in the economy” (p.352). While suggesting the “confrontational” nature of economic interactions, this definition further demonstrates modern economics’ lack of emphasis on the communal realm. A similar analysis can be drawn from the description of a public good, “a commodity for which use of a unit of the good by one agent does not preclude its use by other agents” (p.359). The primary concern remains in fact the individual, not the community.

The only discussion of the community seems to lie in the concept of “multilateral externality” which are upshots “felt and generated by numerous parties” (Mas-Colell et al., 1995, p.364). However, “publicness” appears to be experienced negatively (i.e., preclusion of use, entrenchment, etc.) and the notion of community is constructed “by default” (i.e., the communal realm is only considered because of the interactions of individuals in the marketplace). There is in fact no “positive” or “collaborative” approach

to the communal dimension. The *community* and *social responsibility* – so central, as we will see, to Adam Smith – are quite ignored concepts in modern economics textbooks. Selfishness, competitiveness and personal interest are not only necessary, but virtuous attributes. The good life is self-interested and solitary. We now turn to a more thorough analysis of the economic agent’s psychology and modern economics’ conception of human nature.

In acknowledging that “substantial portions of economic theory would not survive if economic agents could not be assumed to have transitive preferences” (1995, p.7), Mas-Colell et al. indirectly recognize the self-serving character of modern economics’ assumptions about human nature. The economic agent is seen in a rather specific (and normative) way. As far as decision modeling is concerned, the modern textbook perspective admits two approaches: the traditional preference-based approach (“the decision maker has a preference relation over her set of possible choices that satisfies certain rationality axioms”) and the choice-based approach (“focuses directly on [...] choice behavior, imposing consistency restrictions that parallel the rationality axioms of the preference-based approach”) (p.3). In other words, both stress *rationality* as a pillar of microeconomic theory. What is more, Mas-Colell et al. assume that “an individual’s observed choices will display a certain amount of consistency” (p.10). The “good” economic agent is thus rational and coherent.

“Introspection quickly reveals how hard it is to evaluate alternatives that are far from the realm of common experience. It takes work and serious reflection to find out one’s own preferences. (...) this task has taken place:

our decision makers make only meditated choices.” (Mas-Colell et al., 1995, p.6)

Beyond paradigms of rationality and consistency, one assumes that the ideal economic agent has passed the stage of “introspection” and that her preferences are both transitive and perfectly established. In fact, she is believed to have already in her possession all the answers needed to any economic problem that could potentially arise; problems clearly presented here as punctual, “common experience” choices. This constitutes an ethical judgment in itself: the “good” economic agent is consistent and “thought-through”. Considering the complexity of human psychology (as later pointed out by Smith, Veblen and Keynes), one could criticize such assumptions for their conscious oversimplification of human agency (i.e., “the *ceteris paribus* fallacy”). However, this is not our object here. Instead, we focus on the way modern economics promotes a certain, “expected” picture of man neatly playing the “economic game” according to specific rules and assumptions: man as a rational and consistent agent whose preferences, ideas and choices are all determined and set. As we have seen, modern economics holds a “standard” for economic agents which has clear implications regarding the good life. The “good” economic agent is logical and constant – if not unflinching. By inclusion, the mercurial man is not happy.

Another important characteristic of the textbook perspective is how it presents “choices”: namely, in exclusive, punctual and strictly utilitarian terms. “The starting point for any individual decision problem”, Mas-Colell et al. write, “is a set of possible (mutually exclusive) alternatives from which the individual must choose” (1995, p.5). There does not seem to be a choice *not to choose* and the individual has to decide to

spend one's resources on either this good or another, this activity or another. The framing of decision-making is not neutral in that life is mostly presented as a succession of small, practical, concrete and immediate choices (e.g., “the banana or the apple”) to be made according to certain assumptions (i.e., rational, self-interested, utility-driven) and within a certain scheme (i.e., the competitive market system). This framing also connotes some sense of hyperactivity. Finally, the notions of exclusivity, “alternativity” and “immediateness” of choices are further embodied in the concept of *opportunity cost*, which mostly relates – at least unconsciously – to the present. The good life is therefore one of constant choice in an exclusive and competitive setting.

While it intentionally avoids expanding the reach of decision-making to prescriptive questions, the textbook approach confines economics' scope to the short term: economics as the science of “marginal” choices and of “common experience”. In a sense, such a “punctual” view of economics stands in complete theoretical opposition to the inherently holistic notion of the good life. In this scheme, one appears to be constantly confronted with a question to which a clear and consistent answer is needed (which presupposes that there actually always *exists* an answer). Such a framing also conveys the idea that the good life resides in one's capacity to answer such concrete and practical questions in a *consistent* manner; there is in fact no doubt as to the prescriptive nature of the “transitive preferences” assumption. Attaining such a competence therefore presupposes some kind of psychological transformation in the human being; from an indecisive, inconsistent and “tormented” agent to a sharp, coherent and assertive competitor always ready (and able) to consult her utility function. In promoting such a robotic picture of the economic agent, the textbook approach praises certain traits of

character and implicitly denigrates others like introspection or indecisiveness. While apparently putting forth supposedly “positive” (i.e., objective) assumptions, this perspective in fact promotes a strongly normative picture of man. Both impulsivity and “unpreparedness” are “bad”. The “happy” economic agent is consistent and relies on perfectly established preferences. We now turn to the normative implications of modern economics’ framing of decision-making.

Utility, we already pointed out, is a vague concept. In fact, one could well grant it or on the contrary deny it philosophical or ethical substance since it only *describes* preferences. Potentially any type of good life could thus be addressable through economics, if one were to go back to the notion of economics as a “neutral” and technical science. Truth is, decision-making in modern economics relies on real – though subtle – normative pillars, at the center of which stands a strong bias towards pecuniary, consumerist, accumulative and competitive practices.

The modern textbook approach first frames the economic question along pecuniary terms: “Individual demand can be expressed as a function of prices and the individual’s wealth” (Mas-Colell et al., 1995, p.105). Economic activity (hence, economic fulfillment) revolves around, and is contingent upon, money and material resources. Mas-Colell et al. in fact assert that the consumer’s choice “is limited to those commodity bundles that he can afford” (p.20). The book’s rhetoric is very telling: the agent – who sometimes gets reduced to her “purchasing power” – receives “payoffs”, and is either “better” or “worse off” (denoting either an increase or a decrease in quantity received or consumed) (p.122). This approach also entertains the idea that in order to be

substantial or “real”, improvement (hence progress) needs to be material, tangible and pecuniary.

“If we know the consumer’s expenditure function, we can precisely measure the welfare impact of a price change; moreover we can do it in a convenient way (in dollars).” (Mas-Colell et al., 1995, p.122)

Considering the textbook’s rather vague definition of welfare analysis (i.e., “the evaluation of the effects of changes in the consumer’s environment on her well-being” [p.80]), this assertion constitutes another strong normative claim: namely, that welfare – be it even for practicality’s sake – can be measured, quantified and, to some extent, “purchased”. The good life primarily rests on pecuniary considerations.

Mas-Colell et al. also claim that “the most fundamental decision unit of microeconomic theory is the consumer” (1995, p.87). In her choices, the consumer only faces two types of constraints: physical and economic, “as captured in consumption set and Walrasian budget set” (p.87). Needless to say, moral or ethical limitations are absent. The economic agent is first and foremost a consumer, and it is in the dimensions of purchase and consumption that her activity (and by inclusion, her good life) is primarily expressed. The economic agent is concerned with the *consumption* of a good and her aspiration naturally becomes to maximize such a use. In fact, “it is logical to take assumption of preference maximization as a primitive concept for the theory of the consumer” (p.152). Utility maximization embodies the primary objective of the economic agent. The good life thus depends on the maximization of one’s resources. Coupled with the “pecuniary frame”, the maximization of consumption also leads to an ethics of accumulation as the focus is clearly placed on *quantity*.

“(…) this idea of preferences is implicit in our definition of an ‘economic good’ as an item that yields positive benefits to people (…) that is, more of a good is, by definition, better.” (Walter Nicholson, 1990, p.61)

In other words, only a change that brings about *more* of something is looked upon as “good” (i.e., positive). This is the norm of “more is better”. However, there is more to utility maximization (and to its corollary of expenditure minimization) than a simple drive towards accumulation:

“The expenditure minimization problem is the ‘dual’ problem to the utility maximization problem. It captures the same aim of efficient use of the consumer’s purchasing power while reversing the roles of objective function and constraint.” (Mas-Colell et al., 1995, p.58)

Modern economics effectively posits that preferences are best pursued when *efficiently* sought. The objective of the economic agent, as seen above, is efficient consumption, production and distribution. Therefore, we now turn to the analysis of the rationale behind the norm of efficiency.

A clear definition of *efficiency* – contrary to utility – is easily found in the Mas-Colell et al. textbook. Production is efficient, one can read, “if there is no other feasible production vector that generates as much output (…) using no additional inputs, and that actually produces more of some output or uses less of some input” (1995, p.150). Though it here relates to production, the norm of efficiency applies to the whole realm of economics. For instance, it also regulates the profit maximization problem: “if $y \in Y$ is profit maximizing for some $p \gg 0$, then y is efficient” (p.150). Efficiency being at the center of modern economics’ prescription, it is crucial to keep in mind that it inherently

constitutes an ethical claim: namely, that waste is bad and that there is much virtue in *efficiently* using one's resources (i.e., to the fullest extent of their retributive capacities).

Mas-Colell et al. write:

“Because much of welfare economics focuses on efficiency, it is useful to have algebraic and geometric characterizations of productions [sic] plans that can unambiguously be regarded as nonwasteful.” (1995, p.149)

In acknowledging that “public firms and quasipublic organizations such as universities (...) [may have] different objectives” (1995, p.153), Mas-Colell et al. nevertheless recognize the “possibility” of inefficiency, yet only in the form of a footnote. The “good” economic agent is clearly waste-averse. Let us now move on to the structural influence of *competition* on the good life.

A fundamental issue of economics, we are told, is “the organization of production and the allocation of the resulting commodities among consumers” (Mas-Colell et al., 1995, p.307). In that regard, the modern textbook approach proposes two perspectives: the (positive) institutional mechanisms of the *market economy*, and the (normative) *social optimal* plan of production and consumption captured in both the *competitive* (or *Walrasian*) *equilibrium* and in *Pareto optimality/efficiency* (p.307). While competition is built into the neo-classical market system, it is the analysis of *Pareto optimality* that proves the most insightful in terms of normative implications:

“An economic outcome is said to be Pareto optimal if it is impossible to make some individuals better off without making some other individuals worse off. This concept is a formalization of the idea that there is no waste in society, and it conveniently separates the issue of economic efficiency

from more controversial (and political) questions regarding the ideal distribution of well-being across individuals.” (Mas-Colell et al., 1995, p.307)

In other words, *Pareto efficiency* also promotes waste-aversion as only “positive” changes (i.e., impairing no one) in distribution of goods and services are permitted. This implies some sense of positive impartiality as to the development of economic transactions: should the economy depart from its equilibrium point, such a change would not discriminate against anyone.

At the core of the ethical judgment which *efficiency* inherently constitutes is thus the idea that the market should not privilege anyone at the expense of someone else; that the type of efficiency embodied in *Pareto optimality* somehow bends towards “fairness” (which does not mean equality). The competitive market system, in orchestrating economic interactions efficiently, has developed an ethics of equal opportunity and impartiality. Such a system treats everyone fairly and attributes equal rewards for equal contribution. The normative origins of “meritocracy” – a theoretical extension of neo-classical economics – are arguably to be found in such ethics. Monopolies and other types of “biased” economic structures are indeed criticized because they depart from this ideal of perfect, equal competition. Competition is indeed an ethical judgment. Consequently, the “good” economic agent is competitive yet impartial and fair.

We saw earlier that modern economics was clearly biased towards the individual. The concept of “socially efficient aggregate production”, however, seems to contradict this negation of the community (Mas-Colell et al., 1995, p.150). Reasserting modern economics’ interest in collective efficiency, Mas-Colell et al. paradoxically argue that

“for most questions in economics, the aggregate behavior of consumers is more important than the behavior of any single consumer” (p.105). This eventually means that the textbook perspective envisions the good life in the efficient, optimal performance of the economic system as a whole, itself contingent upon the “right life” of its actors (i.e., self-interested, rational, coherent, utility maximizing). This general state is enabled by the psychological transformation of the human being into a rational, consistent and assertive agent.

This idea of “optimal performance” during which everyone “plays one’s role accordingly” or acts as one is expected to act, is finally best captured in the concept of *Nash equilibrium*. Nash equilibrium relates to the situation when “each player’s strategy choice is a best response to the strategies actually played by his rivals”, assuming “that players be correct in their conjectures” (Mas-Colell et al., 1995, p.246). It also captures the notion of utility-maximizing individuals striving for efficient agency in the economic game. Consistent with modern economics’ emphasis on “marginal” issues, the good life indeed remains some sort of *equilibrium*. Considering the preeminence of the norms of accumulation and *efficiency*, the idea of progress is therefore associated with an *efficient* increase in production and consumption. Progress is necessarily tangible and quantifiable; an approach which clearly denies all other esoteric or metaphysical appreciations. Improvement is at the same time quantitative (“more is better”) and qualitative (i.e., progress as increased efficiency, more advanced technology). Progress is eventually located “at the margin” (the focus is on the *next* unit produced or consumed) and only originates from the number of resources employed or technological advance.

We started our discussion of the modern economics textbook approach to the good life with the supposition that economics had become a “neutral” and intentionally objective science, strictly dedicated to the technical and scientific explanation of economic processes. We saw that this was only partly true, for economics relies on concrete normative claims such as rationality, transitivity, consumption, efficiency, maximization and competition which all constitute ethical judgments in themselves. In modern economics, the ideal person (i.e., the one living the good life) is free, deliberate, rational, consistent and maximizing. While she primarily seeks personal accumulation, she also has a hard time – psychologically – coping with the idea of waste or the inefficient use of resources (be they capital, money, or time). She is impartial and fair: the competitive market system embodies her belief in equal opportunity and fair interactions. The ideal woman is by nature busy, organizes her time with great care and very rarely meets a problem (be it economic or other) for which she does not already have an answer – or at least a framework with which to approach it. Distress, in such a picture, is caused by impulsivity, futility or unpreparedness. What is more, decisions are always made along pecuniary and utilitarian premises. Her optimal career plan is finally to maximize her earnings from a time perspective, and ideally to retire early in order to then pursue her particular interests.

As a result of the normative paradigms and assumptions used, the good life implicitly put forth by Mas-Colell, Whinston and Green is individualistic (and thus community-unconscious), materialistic, pecuniary, consumerist and inherently short-termist. On the other hand, it reflects a certain idea of individual liberty (e.g., freedom and intentionality), equality (e.g., the competitive market system) and responsibility (e.g.,

waste-aversion); dimensions sometimes overlooked and not duly appreciated. It is therefore patent that the modern textbook picture, by indirectly calling for a psychological transformation of the economic agent, has influenced our collective approach to the good life from both a theoretical and an epistemological standpoint. With respect to the former, this perspective has indeed promoted an increasingly individual, material, and “pecuniary” vision of the good life. The good life is now private and progress is framed in pecuniary, quantitative and accumulative terms. From an epistemological point of view, the modern textbook perspective also participated in the narrowing of economics’ scope, both in terms of vocation (i.e., what economic science sees as its *natural* area of interest) and ambition (i.e., what it aims to achieve). Today, economics is mostly interested in “marginal” issues (e.g., cost/benefit impact, levels of consumption, rates of savings, equilibrium quantity, etc.) which are modeled and tested with data. The good life, it appears, is now exogenous to economic science. While modern economics’ emphasis on simplified, sharpened (and reductive) assumptions serves comprehensible methodological purposes, it is safe to argue that such stress on utility, consumption, quantity and money has greatly shortened the time horizon of both the economic agent and the economic science. In the end, the good life as a philosophical concept suffered dearly from modern economics’ ambivalence of simultaneously denying its relevance while implicitly providing a norm.

II: Adam Smith's Approach to the Good Life

Adam Smith (1723-1790) is one of the most celebrated names in the history of economics. His legacy, however, is subject to much debate. The caricature often associated with Smith's conception of the good life is the competitive, self-interested, and selfish economic agent. Such a reductive view is nevertheless mistaken. We will in fact argue that Smith's approach to economics was primarily moral. For him, liberalism departed first from externally imposed articulations of truth such as kinship, religion, superstition, or nationalism. It therefore empowered the individual which soon became, parallel to the rise of classical economics, the center of economic science. Liberalism indeed assumed that the individual owned his labor, hence granting him some control over his destiny. Yet, Adam Smith is not quite the liberal one would imagine. Although he believed in individual liberty and the virtue of "productive work", he nevertheless focused on the "community" around which he actually articulated his understanding of the good life. He conceived of the good life as "social harmony" and saw the "ideal" man as benevolent, sympathetic, and caring. For Smith, human beings were essentially moral. Liberal societies only provided the framework for such morality to develop. In Smith, the good life is to be understood as a mix of both his positive and normative theories. He creates three particular devices which facilitate the good life: namely, competition, the "invisible hand" and the "impartial spectator". Such devices of "interests reconciliation" enable man to further the social good through the pursuit of self-interest. Firmly grounded in pragmatic, concrete experiences, the good life eventually rests on non-material considerations. In spite of all stereotypes, Adam Smith's enterprise remains essentially moral and in that sense greatly influenced the history of economic thought.

Adam Smith's work pioneered in social psychology, understanding people's behavior in society as a response to different contexts. Veblen is one example of an economist that later followed this tradition. Smith was a "synthesizer" who arguably anticipated social sciences' multidisciplinary and aggregative approach. Another facet of Smith that is often downplayed is clearly the extent to which his work constituted first and foremost a moral enterprise. From a strict professional standpoint, Smith was appointed Professor of Logic in 1751 upon his return to Glasgow, and then Professor of Moral Philosophy in 1752 when he lectured on natural theology, ethics, jurisprudence and economics. The "moral" side of Smith's theory is usually accounted for in the discussion of the so-called "Adam Smith problem". The "Adam Smith problem" refers to the ambiguous relation between Smith's two major works, namely *The Theory of Moral Sentiments* (1759) and *The Wealth of Nations* (1776). In the former, Smith describes benevolent, "virtuous" economic agents; in the latter, Smith theorizes about primarily self-interested individuals. However, there is more to Smith as a "moral" thinker.

"Man was made for action, and to promote by the exertion of his faculties such changes in the external circumstances both of himself and others, as may seem most favourable to the happiness of all" (1759, part II, sec. III, chap. III)²

The Theory of Moral Sentiments, which discusses the ethics behind approving of or condemning certain actions or intentions, effectively celebrates liberal societies' capacity for human action and, more particularly, moral action. At the same time, *The*

² Our citations do not include the exact page numbers of the quote. This has to do with the fact that different editions of *The Wealth of Nations* and *The Theory of Moral Sentiments* were used throughout the research process. Nevertheless, the page numbers can easily be retrieved through the search engine of The Library of Economics and Liberty's website (URL: <http://www.econlib.org/library/Smith/smWN.html> and <http://www.econlib.org/library/Smith/smMS.html> respectively)

Wealth of Nations, which argued that freeing economics would free the individual and consequently benefit society, also constituted a moral, humanist statement. More importantly, Smith subordinated economics to certain values. He claimed, for instance, that “justice (...) is the main pillar that upholds the whole edifice of society, including the economy” (1759, part II, sec. II, chap. III). In that, Smith appears far from the usual stereotype of the theorist of self-interest. Although his morality did not constitute a total system *per se*, he nevertheless approached economics according to a moral framework.

Smith also belonged to the Scottish Enlightenment which relegated the good life to the private realm. Liberalism promoted secularism and the creation of a neutral framework of laws and institutions around the notion of individual rights. In that, it emancipated the good life from many predetermined and imposed versions of truth. More specifically, liberalism granted the individual the right to conceptualize the good life himself. It consequently empowered the individual through a variety of liberties. For Smith, the individual – not the state – was the center of the economy. In that, he strongly opposed the Mercantilists.

“Every man, as the Stoics used to say, is first and principally recommended to his own care; and every man is certainly, in every respect, fitter and abler to take care of himself than of any other person. Every man feels his own pleasures and his own pains more sensibly than those of other people” (1759, part VI, sec. II, chap. I)

Smith here marks his belief in the virtue of “individuality” as the true knowledge of oneself; for instance, “feeling one’s own pleasures more sensibly than that of other people”. The centrality of the individual to the economic system has clear consequences:

it organizes the “personalization” of economics and, therefore, of the good life. Smith further opposed Mercantilism through his belief that wealth was more than a simple “monetary illusion” (in relation to Mercantilist praise of money). The premises of Smith’s theory were certainly centered on the individual, but not on sheer monetary considerations.

Smith also opposed the Physiocrats in preferring “labor” to “land” as the central criterion of economic activity. While Quesnay and others focused on the importance of land as the pillar of economic analysis, Smith and the liberals shifted the emphasis to the notion of “work”:

“The annual labor of every nation is the fund which originally supplies it with all the necessaries and conveniences of life, which it annually consumes, and which consist always either in the immediate produce of that labor, or in what is purchased with that produce from other nations.”

(1776, Book I, Introduction)

In other words, labor is the primary economic resource. There is more to Smith’s view of work, however, than a simple question of consumption and resources. His understanding of the place of “labor” in society effectively implied the humanist insistence upon man over nature, along with an ethics of dynamism (as opposed to the rigidity and status quo of religious dogmas) and “productivity”.

The importance of “labor” in Smith echoes his focus on the individual. In fact, centering economics on “work” enabled the empowerment of the individual, labor essentially being his property. Smith’s ethics of “productive work” stemmed from his understanding of the division of labor and of its respective virtues:

“In the progress of society, philosophy or speculation becomes, like every other employment, the principal or sole trade and occupation of a particular class of citizens. Like every other employment too, it is subdivided into a great number of different branches, each of which affords occupation to a peculiar tribe or class of philosophers; and this subdivision of employment in philosophy, as well as in every other business, improves dexterity, and saves time. Each individual becomes more expert in his own peculiar branch, more work is done upon the whole, and the quantity of science is considerably increased by it. It is the great multiplication of the productions all the different arts, in consequences of the division of labor, which occasions, in a well-governed society, that universal opulence which extends itself to the lowest ranks of the people.” (1776, Book I, chap. I)

The division of labor, both a logical and somewhat inevitable event, is desirable in many respects: among others, it “improves dexterity” and “saves time”. Specialization, time-efficiency and expertise thus constitute examples of the qualities of the worker. More importantly, Smith stresses the improvement in quantity of both work and science resulting from the division of labor. Progress is here seen in material and quantitative terms. In concentrating on the “increase of the productive powers of labor” (1776, Book I, chap. I), Smith’s ethics finally revolves around multiplication, production and opulence. Nevertheless, this only constitutes the “positive” side of Smith’s theory; i.e. his theorizing of the “objective” advantages of the competitive market system and liberal societies in general.

At the same time, Smith was well aware of the human consequences of the division of labor. In fact, his discussion of the “deadening effects of the division of labor” on the pin factory workers inspired Marx’s concept of “alienation”. Smith’s positive theory (i.e., the description of liberal, capitalist societies) is therefore to be understood as a framework (in Smith’s mind, the best compromise) for his “normative” beliefs. In the end, the point of Smith’s enterprise is the development of man’s natural inclination towards morality, from which stems his conception of the good life.

In Smith’s mind, man is essentially “good”, that is sympathetic, benevolent, and caring:

“And hence it is, that to feel much for others and little for ourselves, that to restrain our selfish, and to indulge our benevolent affections, constitutes the perfection of human nature; and can alone produce among mankind that harmony of sentiments and passions in which consists their whole grace and propriety. As to love our neighbour as we love ourselves is the great law of Christianity, so it is the great precept of nature to love ourselves only as we love our neighbour, or what comes to the same thing, as our neighbour is capable of loving us.” (1759, part I, sec. I, chap. V)

Smith here develops his understanding of “benevolent empathy” which he assimilates to “the perfection of human nature”. In other words, man is inherently a moral being. Smith promotes the “love of the neighbour” as an implication of man’s morality. He even conveys a sense of “active” seeking of empathy:

“Though our brother is upon the rack, as long as we ourselves are at our ease, our senses will never inform us of what he suffers. They never did,

and never can, carry us beyond our own person, and it is by the imagination only that we can form any conception of what are his sensations.” (1759, part I, sec. I, chap. I)

In other words, Smith conceives of the individual economic agent as caring in an active and imaginative way. The “ideal” economic agent is essentially empathetic and compassionate. Furthermore, this discussion of empathy, benevolence, sympathy and compassion indirectly refers to the concept of the “community”. Such virtues indeed only make sense in a “social” setting. In fact, Smith articulates the good life around the concept of the “community”. This concept assumes first a “pragmatic” quality in Smith’s positive” theory:

“But if they had all wrought separately and independently, and without any of them having been educated to this peculiar business, they certainly could not each of them have made twenty, perhaps not one pin in a day”
(1776, Book I, chap. I)

Smith sees collaboration as a means to improve production and he therefore promotes the notion of the “community of workers”. At the same time, there is more to this concept than a simple “quantitative” argument. The “community” is indeed the precise *locus* of the good life.

Smith defines the good life as “social harmony”, or the symbiotic life of the community along the ethics of compassion, love and happiness. The “ideal” economic agent in fact promotes such harmony through his caring, empathetic and benevolent behavior.

“What they feel, will, indeed, always be, in some respects, different from what he feels, and compassion can never be exactly the same with original sorrow; because the secret consciousness that the change of situations, from which the sympathetic sentiment arises, is but imaginary, not only lowers it in degree, but, in some measure, varies it in kind, and gives it a quite different modification. These two sentiments, however, may, it is evident, have such a correspondence with one another, as is sufficient for the harmony of society. Though they will never be unisons, they may be concords, and this is all that is wanted or required.” (1759, part I, sec. I, chap. IV)

In other words, the *telos* of social harmony might be incomplete but it still remains a worthy pursuit. “Social harmony” relies on a certain set of values (e.g., benevolence, empathy, sympathy, compassion) and focuses on the general idea of society’s wellbeing which, in the end, supersedes personal wellbeing. In that sense, Smith emphasizes the community over the individual.

Consistent with his “moral” bias, Smith further defines happiness in “spiritual” terms. In fact, his understanding of “wealth” is much broader than, for instance, the Mercantilist view of money. “The great source of both the misery and disorders of human life”, Smith argues, “seems to arise from over-rating the difference between (...) poverty and riches” (1759, part III, chap. III). In other words, “happiness” is not contingent upon pecuniary considerations. Smith also claims that the pleasures of the rich, consisting of vanity and superiority, are seldom consistent with perfect tranquility (1759, part III, chap. III). In that, he seems to promote an Aristotelian notion of moderation and balance. He

believes that the good life resides in “higher” grounds than purely monetary or materialist ones. Smith’s notion of moderation is further developed in his understanding of human comparisons as based on constant self-appraisal:

“Every faculty in one man is the measure by which he judges of the like faculty in another. I judge of your sight by my sight, of your ear by my ear, of your reason by my reason, of your resentment by my resentment, of your love by my love. I neither have, nor can have, any other way of judging about them.” (1759, part I, sec. I, chap. III)

In forcing constant self-assessment, Smith implies that the “ideal” man is non-judgmental. He also conveys a certain idea of humility. Overall, the good life resides in non-material notions such as harmony, empathy, happiness, moderation, and humility. Smith’s rather broad understanding of “wealth” (i.e., not only pecuniary) also supports this idea. The good life is essentially moral.

As we mentioned earlier, Smith’s conception of the good life is the fruit of both his positive and normative theory. For him, man is essentially moral. At the same time, the attainment of the good life necessitates certain processes. His positive theory sheds light on them:

“The soft, the gentle, the amiable virtues, the virtues of candid condescension and indulgent humanity, are founded upon the one: the great, the awful and respectable, the virtues of self-denial, of self-government, of that command of the passions which subjects all the movements of our nature to what our own dignity and honor, and the

propriety of our own conduct require, take their origin from the other”

(1759, part I, sec. I, chap. V)

In the first part of this statement, Smith understands “virtue” along Hume’s notion of *humanity* and Hutcheson’s concept of *benevolence*. These are essential, natural virtues of man. In the second part, Smith refers to “virtue” in the Stoic sense of “commanding the passions”. In that, he implies that the good life requires the conciliation of nature with “reason”. Smith effectively conceived of morality as the constraint of self-interest through the use of certain devices: namely, competition, the “invisible hand” and the “impartial spectator”.

Competition, understood as the free and fair contest of individuals for goods and services in the marketplace, belongs to Smith’s positive body of thought (i.e., competition as a characteristic of liberal societies). Nevertheless, it also relates to his normative beliefs.

“Every man, as long as he does not violate the laws of justice, is left perfectly free to pursue his own interest his own way, and to bring both his industry and capital into competition with those of any other man or order of men.” (1776, Book IV, chap. 9)

The notion of competition effectively contributes to the furtherance of the good life: Smith argues that selfish men contribute to social harmony through their socializing interactions. Competition is not a virtue *per se* but rather a means to an end, a structural device promoting the good life. Competition effectively leads to greater human interactions.

Smith's positive and normative theories also merge in his concept of the "invisible hand". This concept is to be understood as a device of "interest reconciliation"; that is, an artifice permitting the reconciliation of supposedly exclusive interests.

"Every individual (...) generally, indeed, neither intends to promote the public interest, nor knows how much he is promoting it. By preferring the support of domestic to that of foreign industry he intends only his own security; and by directing that industry in such a manner as its produce may be of the greatest value, he intends only his own gain, and he is in this, as in many other cases, led by an invisible hand to promote an end which was no part of his intention." (1776, Book IV, chap. II)

Smith effectively sees in the pursuit of self-interest the most efficient way of furthering the social good. The end Smith is here implicitly referring to is but "social harmony".

The "impartial spectator" is the last "reconciliatory device" discussed here. It refers to the emotive capacity of man and revolves around man's inclination to feel sympathy for one another as, for instance, through the imagination of someone else's pain:

"As we have no immediate experience of what other men feel, we can form no idea of the manner in which they are affected, but by conceiving what we ourselves should feel in the like situation" (1759, part I, sec. I, chap. I)

The primary use of the "impartial spectator" is to provide the individual with a "moral" point of view on which he can then base his decisions. This device therefore embodies

the “moral opinion” by which everyone should abide. The “impartial spectator” represents the moral authority of Smith’s value system:

“The man of real constancy and firmness...bred in the great school of self-command...has never dared to forget for one moment the judgment which the impartial spectator would pass upon his sentiments and conduct... He has been in the constant practice...of modeling...not only his outward conduct and behavior, but...even his inward sentiments and feelings, according to those of this awful and respectable judge...He almost identifies himself with, he almost becomes that impartial spectator, and scarce even feels but as that great arbiter of his conduct directs him to feel” (1759, part III, chap. III)

The good life therefore depends on the individual’s emulation of the “impartial spectator”. Such emulation requires a “thought-experiment”, the device behind imaginary. The “impartial spectator” finally embodies the social construct of conscience.

Adam Smith’s approach to economics is primarily moral. Smith sees in liberal societies first and foremost an opportunity for moral action. The competitive market system, in that sense, provides a framework for human action. Consistent with the Enlightenment and the rise of liberalism, Smith promoted the individual, “labor” and “productivity” as the pillars of economic science. Through a mix of positive and normative theory, he eventually saw the good life in “social harmony”, or the symbiotic life of all members of the community. In such a picture, the “ideal” man is benevolent, sympathetic, and empathetic. He is self-interested but indeed understands the importance

of the community. The “happy” economic agent is therefore committed to pursue superior economic activity but also greater human interactions. He conceives of progress as both a quantitative increase in production of goods and services and an improvement in the ties of the community. Smith holds a humanist, caring and compassionate ethics. This clearly opposes the commonly held belief about Smith. Based on a certain understanding of human nature as essentially moral, Smith was indeed interested in furthering the collective good through different “interests reconciliation” devices such as competition, the “invisible hand” or the “impartial spectator”. In that, the good life was contingent upon certain “thought experiments”. Smith’s conception of the good life was finally based on rather “spiritual” considerations, at the center of which stood “social harmony”. In the end, Smith’s enterprise can be understood as a reconciliation of nature, reason and moral obligation. Mixing science and moral philosophy, his approach to economics eventually constitutes a precedent in the history of economic thought.

III: Karl Marx's Approach to the Good Life

Karl Marx (1818-1883) undoubtedly was one of modern history's most influential social and economic thinkers. In his work, he relied on a teleological framework which predicted the advent of the communist state through gradual and conflicting developments. He put forth the notions of "dialectical materialism" and the "economic interpretation of history" as the principal driving forces of such a process. Marx's idea of the good life was based on a certain understanding of emancipation, atheism, equality, work, productivity and human relationships. Eventually, the good life corresponded to a "higher" order and value-system different from utility, consumption and accumulation. His vision was neither individualistic nor communal *per se* but instead "conciliated" both realms through the concept of "species-being", by which he meant human nature as part of mankind.³ Analyzing society in terms of classes, Marx primarily focused on the plight of the proletariat and thus conceived of the good life in "communitarian" terms. He prescribed labour for its "essence"⁴ and promoted the active resistance to the power of the "social superstructure". Marxist teleology arguably ends in the establishment of "communist relationships". In the interest of clarity, we shall start with a brief introduction to Marx's "positive" theory (i.e., his teleology and other central concepts) before discussing his normative conception of the good life. Marx eventually remains a controversial figure because of the radical implications of his theoretical observations and the debatable nature of their "true" meaning. This context quite understandably complicates the making of an authoritative claim about Marx's

³ The term "species being" (*Gattungswesen*) is derived from Ludwig Feuerbach's philosophy where it is applied to man and mankind as a whole.

⁴ Marx believed in the inherent worth and virtue of labor (and precisely "productive labor"), in it being "good" in and of itself.

conception of the good life. Nevertheless, we shall try to extract his norm as objectively as possible through the analysis of specific Marxist assertions and their normative implications.⁵

Although summarizing Marxist thought is not the object here, it seems crucial to begin by introducing Marx's understanding of history as a sequence of different socioeconomic stages. Marx adopted a teleological approach that shed light on society's evolution from capitalism (i.e., private ownership of the means of production) to socialism (i.e., common ownership) on to communism (i.e., changed economic relations and psychological transformation). This dialectical development constitutes Marx's "objective drive of history", or the disrupted yet inevitable surpassing of the contradictions inherent to each stage in a movement towards communism. Historical and dialectical materialism are indeed the backbone of the "economic interpretation of history". According to Marx, the "material condition" effectively drives human beings:

"The production of notions, ideas and consciousness is from the beginning directly interwoven with the material activity and the material intercourse of human beings, the languages of the real life. The production of men's ideas, thinking, their spiritual intercourse, here appear as the direct efflux of their material condition." (1932, part I)

⁵ Considering the size of Marx's collected work, we heavily relied upon the internet, and particularly the much reliable Marx & Engels Internet Archive (URL:<http://www.marxists.org/archive/marx/index.htm>), for our research. This in fact enabled us to cover more writings than otherwise possible with strictly printed material. A mix of printed and online readings composed our primary sources. As a result, our citations will mostly refer to the source (i.e., the precise work). Exact page numbers can nevertheless be retrieved via a quick search on the above-mentioned website.

In other words, one needs to understand the centrality of “materialism” to human agency in order to fully appreciate societal evolutions. Prescriptions about the good life thus require such an understanding.

Marx’s enterprise is positive in the sense that it simply aims at describing the world as he saw it. For instance, Marx did not hold the bourgeoisie “personally” or “morally” accountable for their actions: they were only the slaves of their respective nature and social condition. Human nature and class determinism, as embodied in man’s inherent drive for profit, explained the capitalists’ exploitation of the proletariat. Other forms of determinism feature capitalism’s reproductive nature and the “social superstructure”: “it is not the consciousness of men that determines their being, but, on the contrary, their social being determines their consciousness” (1859, preface).

“The ideas of the ruling class are in every epoch the ruling ideas, i.e. the class which is the ruling material force of society, is at the same time its ruling intellectual force. The class which has the means of material production at its disposal, has control at the same time over the means of mental production (...). The ruling ideas are nothing more than the ideal expression of the dominant material relationships (...)” (1932, part I)

Marx points here to the insidious capacity of social structures and institutions (e.g., the Church, property, the family, etc.) to frame our understanding of reality and thus shape our thoughts, aspirations and actions.⁶ The “social superstructure” is therefore a reflection of the hierarchical nature of economic relations. This superstructure also has power over one’s idea of the good life, hence explaining Marx’s revolutionary stance. In fact, Marx

⁶ Nonetheless, Michael Hardt importantly argues that Marx did not necessarily see institutions like the family as “bad” *per se*, but instead denounced their “bourgeois version” of it (i.e., hierarchy of production, gender-biased power structures, etc); Lecture notes “Marxism and Society” 1/19/05

here attacks a certain understanding of hierarchy and power structure. Having provided most of the theoretical tools needed for our enterprise, we shall now turn to the discussion of normative Marxism and precisely to Marx's conceptualization of emancipation, atheism, equality, work, productivity and human relationships.

Marx bases his conception of the good life on a certain understanding of liberty. Although he believed "freedom of conscience" to be a human right, he also knew that capitalism inherently constituted a challenge to any type of freedom.

"The realm of freedom actually begins only where labor which is determined by necessity and mundane considerations ceases; thus in the very nature of things it lies beyond the sphere of actual material production" (1894, chap. 48)

In other words, liberty and its many expressions depend on the mode of production that organizes society. Marx's conclusions as to capitalism's respect for freedom are skeptical to say the least. In fact, wage labor indirectly leads to "the favoring of what we *have* over what we *are*" and to the *de facto* exploitation of the laborer. Marx also opposed capitalism's tendency to "materialize" and make a commodity of man.

"(...) the social relations between their private labours appear as what they are, i.e. they do not appear as direct social relations between persons in their work, but rather as material [dinglich] relations between persons and social relations between things" (1887, p.166)

Marx effectively sought a more "humane" consideration of the individual than the one capitalism introduced. He believed capitalism worked against such a consideration. The

good life thus resides in the “human emancipation” from capitalism’s systematic “alienation” of the worker.

Marxism is a “humanism” in that it opposes the subjection and violation of man’s essence by wage labor. According to Marx, capitalism institutionalizes the “enslavement” of the worker:

“It is evident that the laborer is nothing else, his whole life through, than labor power (...) Time for education, for the fulfilling of social functions and for social intercourse, for the free play of his bodily and mental activity, even the rest time of Sunday – moonshine!” (1887, part III, chap. 10, sec. 5)

Although activities such as education and “the fulfilling of social functions” might constitute some sort of *telos*, Marx’s strongest point here remains his denunciation of the worker’s alienation. Any “potential” good life (such as the “traditional” ones mentioned above) cannot but first rely on human emancipation from capitalism’s hold. The good life resides outside capitalism and emancipation constitutes the primary step towards it.

Marx is also interested in another facet of liberty: namely, “freedom of conscience” which he defines as “the right to practice the religion of one’s choice.” At the same time, he asserts his fierce attachment to atheism: religion is but “the opiate of the people.” Marx denounces religion as both an instrumentalizing illusion (i.e., the traditional critique) and as a means for mistaken political struggles (i.e., religion as an “excuse” or “cover” for economic, social or political conflicts). He thus prescribes the total rejection of religion: “the abolition of religion as the illusory happiness of the people is required for their real happiness” (1844a, Introduction). Marx finally criticizes the

contribution of religion to the alienation of the working class. The good life is inherently atheist, in accordance with his emancipated and humanist stance.

Through his humanist ethics of emancipation, Marx seeks a more “concrete” political objective: namely, equality. In fact, communism makes quite an obvious statement about the virtues of – and the consequent need for – equality among people. Marx, however, carefully qualifies his understanding of such a concept:

“The Constitution of 1795 determined appropriately the important and force of equality: ‘Equality means that the law is the same for all, whether it protects or punishes’ (Article 5)” (1844b)

In other words, Marx first puts forth a sense of fairness or “equity” (i.e., equal opportunity, equal access), here with regard to the law. In terms of economic relations, Marx’s communism prescribes equality of all in terms of control over the means of production. The normative essence of his understanding of equality, however, holds in the famous – yet unclear – assertion:

“In a higher phase of communist society...only then can the narrow horizon of bourgeois right be fully left behind and society inscribe on its banners: from each according to his ability, to each according to his needs” (1970)

This claim sheds light on Marx’s attachment to equality on grounds of ability and need, as opposed to equality on grounds of “productive or quantitative desert” (i.e., distribution strictly according to final, material contribution regardless of capacity and necessity). Marx takes further the notion of “equality” as found in both classical and modern economics (i.e., “initial” equality or equal opportunity before the market). What he

proposes is closer to “egalitarianism” or equality as a “final” outcome taking into account one’s needs and capacities.

Marx’s understanding of equality thus links the good life to the fulfillment of everyone’s needs, irrespective of their differences in capacity. Such a vision introduces the notion of “community” and shifts the problematic to the collective realm. In that, Marx stands in clear opposition to the classical belief in competition and individual self-interest. He opposes the competitive market system:

“These labourers, who must sell themselves piecemeal, are a commodity, like every other article of commerce, and are consequently exposed to all the vicissitudes of competition, to all the fluctuations of the market”
(1848, chap. I)

Marx effectively believed that our lives should not be “regulated” by competition. The “happy man” is not competitive and does not see life as a general struggle between people trying to get ahead of one another. Other laws, he argued, should rule over our destiny. Equality based on grounds of need and ability is indeed one of them. It constitutes the desired final outcome of the economic process and not its starting point as in modern economics. Such a dedication to equality testifies to Marx’s aversion to competition but it more fundamentally reflects his idea that our inherent differences in ability and need should not translate into “social” differences, hence dismissing the ethics of desert. Every human being is worth in and of himself. There is indeed no reason to compare and differentiate people. This also implies that the good life is not “translatable” into some material form (e.g., social status, fortune, possession) but rather is the celebration of life and mankind as such. If one were to single out one *telos* in Marxism

(which arguably recognizes a plurality thereof), equality on grounds of both ability and need would surely be that one.

The concept of “ability” is inherently connected to the notion of “work”. Although he prescribed the non-differentiation of people on grounds of capacities, Marx nevertheless believed in the virtuous nature of labor. The good life is not apathetic or “lazy”. Work, in its essence, is good. Marx in fact strongly opposed its alienation and degradation by capital.

“Political economy starts from labor as the real soul of production; yet to labor it gives nothing, and to private property everything. (...) this apparent contradiction is the contradiction of estranged labor with itself, and that political economy has merely formulated the laws of estranged labor” (1844b)

In other words, Marx criticizes the contradiction of capitalism in depending on labor all the while estranging it. However, the story does not end with the “reinstitution” of labor. Marx goes further and proposes the celebration of man’s creative capacity. The good life therefore means more than simply “going to work”.

Marx indeed saw in “productive work” a virtue per se: “Man”, he argued, “enhances through labor the value of the products of nature” (1844b). Marx had great respect for both the soil and man; for him, nature and the laborer were “the original sources of all wealth.” Despite his attachment to nature, Marx was in no way anti-industrial or anti-technology. What he actually opposed was the “disciplined” or “coerced” version of work and the alienations it established. In the end, Marx believed in a free and productive life: “free” in the emancipated sense, and “productive” as based on

the celebration of the essence of work. Quite logically, such assertions have important theoretical implications as to the “structural” nature of the good life (i.e., which structure or entity it is applicable to). We thus move on to the more specific question of individuality versus community and their eventual conciliation through the prism of “species-being”.

Marxism is often associated with the “individual vs. community” dichotomy. Nevertheless, we shall argue here that Marx’s good life in fact originates in the reconciliation of both “entities” (i.e., the individual and the community) through the concept of “species-being”. Indeed, Marx criticized capitalism for turning “the life of the species into a means of individual life.” He believed in man as a species-being “who treats himself as a universal and therefore a free being.” Marxism denounced the separation between the public and private realms created by the advent of property and which inevitably augmented the distance between human beings. Marx’s concept of “species-being can be understood as “the conscience, the comprehension and the recognition of humanity and of its interest as being that of humanity.”⁷ It best embodies his understanding of the common good. “Species-being” is finally a statement about the universality and “communality” of mankind. The “happy” economic agent therefore makes decisions based on such a celebration of humanity.

Although he opposed the differentiation of the public and private spheres, Marx did not frame the problem in terms of “individuality”, nor did he call for the abolition thereof. Instead, he sought to reconcile personal and common interests through their interactions:

⁷ Michael Hardt, “Marxism and Society” Lecture notes 1/29/05

“Society does not consist of individuals but expresses the sum of interrelations, the relations within which these individuals stand” (1859)

In other words, society must be seen in a general, holistic way (i.e., not separated or distanced). Marx argues that “individuality” and “community” do not necessarily have to be mutually exclusive. He also refutes both egotism and altruism as the problem does not lie in the simple accusation of self-interest. Consequently, what Marx proposes is not “selflessness” (a recommendation still fixed to the individual as referent), but rather the recognition and celebration of the “good of humanity”. The “ideal” man, for Marx, does not think in terms of “individual” or “community” but rather in terms of human interactions.

The good life, it appears, therefore resides in the conscious conciliation of individuality and community into the general interests of humanity. Interestingly, Marx seems to theoretically follow Adam Smith. The “invisible hand” in fact symbolizes the indirect furtherance of the “social good” through the individual pursuit of self-interest. Marx’s “species-being” device appears to follow a similar framework of “interests reconciliation”, although in a conscious, direct and motivated fashion. Marx’s prescription therefore implies some sort of mental transformation that would put “species being” at the center of man’s psychological drive. This state of mind is at the same time desirable and chimerical. Therefore, such a change somehow constitutes “a return to where we never really were.”

We just reviewed how Marx’s conception of the good life is dependent on the “theoretical” conciliation of individual and communal interests through the prism of “species-being”. However, social change in the Marxist framework also presupposes

action. In fact, Marx added a “political” dimension to his prescriptions: “the philosophers”, he claimed, “have only interpreted the world in various ways; the point, however, is to change it” (1924). Marx called the working class to an active struggle for a better life and urged them not to “free ride” on Marxist teleology (i.e., “wait” for the inevitable advent of communism). “Revolutions”, Marx argued, “are the locomotives of history.” In that sense, communism was contingent upon the proletariat’s revolutionary movement. Marx writes:

“The communists everywhere support every revolutionary movement against the existing social and political order of things” (1848)

In other words, the good life corresponds to an upheaval against the status quo. Such a call to collectively “make history” is best embodied in the Communist Manifesto’s famous motto: “Workers of the world, unite! You have nothing to lose but your chains!” For Marx, the good life represents some sort of collective struggle against the alienating and exploitative influences of capitalism.

Marx effectively focused on the proletariat. For him, it is “good” to be in a class.⁸ For instance, he mocked the peasantry’s inability to “form a class”. Despite his respect for nature, Marx arguably had a pro-industrial and pro-urban bias referring to “the idiocy of the rural life” (1848). Thus, the good life was more likely to be “urban”. At the same time, Marx characterized capitalists as slaves of “austerity” (due to capitalism’s constant reproductive activity) and therefore pointed out their inherent incapacity to even “envision” a good life. Marx shed light on the capitalist class’ incapacity to alter its plight. Proletarians, on the other hand, represented the “active” class. Considering Marx’s

⁸ Despite his respect for nature, Marx arguably had a pro-industrial and pro-urban bias. He indeed refers to “the idiocy of the rural life” (1848).

emphasis on class, the good life he prescribes is finally based on “communitarian” terms. Such a position, however, contradicts his stress on “species-being” which includes humanity as a whole. Marx’s ambivalence seems to hold in the teleological nature of his framework: in the end, the society which he desires is in fact classless; i.e. the “community of mankind”. Marx saw the lot of capitalists as hopeless (i.e., determined) and therefore strictly focused on the proletariat, hence attaching a final sense of “singularity” to the good life.⁹ However, the pivotal message of Marx’s interest in the concept of class eventually denotes the importance he gives to political “organization” and representation. The good life is in fact active, organized and politically aware.¹⁰

Although Marx called for the conscious, intentional and revolutionary resistance to capitalism, he also noticed the importance of determinism in relation to political activism: “people make history under circumstances not of their choosing” (1848). In a sense, this assertion pinpoints the very limitations of human freedom. At the same time, it does not indefinitely impair the “feasibility” of resistance so central to Marx’s conception of the good life. In that regard, one must keep in mind that Marx’s concern (and thus the pertinence of the revolution) is first to change economic relations. Such a change in relations of production originates in the negation of private property: in fact, “the theory of the Communists may be summed up in the single sentence: abolition of private property” (1848). This change in relations of production – finalized by the collectivization of the means of production – constitutes the real trigger of the communist state. “Communism”, Marx claimed, “is the positive expression of annulled private

⁹ Arguably, Marx’s *telos* of the “dictatorship of the proletariat” further confirms such an exclusive (if not extreme) focus on one particular class in relation to the good life.

¹⁰ In fact, Marx used the metaphor of the “mole” to refer to the idea of revolution, hence connoting the constant aspect of the struggle.

property” (1844b). Eventually, the abolition of private property – though essential – only represents a precondition to Marx’s teleological picture which ends in the creation of the “communist” state.

Marx’s teleology indeed recognizes “communism” as its final stage: “Communism is the riddle of history solved, and it knows itself to be this solution” (1844b). Once such teleology is “completed” and the communist state created, the good life transpires in the establishment of “communist relationships” or Marx’s “supreme” telos. Such relations presuppose a psychological transformation on behalf of the individual:

“Communism as the positive transcendence of private property, as human self-estrangement, and therefore as the real appropriation of human essence by and for man; communism therefore is the complete return of man to himself as a social (i.e., human) being – a return become conscious, and accomplished within the entire wealth of previous development” (1844b)

Marx sees the establishment of “communist relationships” as contingent upon the psychological transformation of the economic agent’s mindset. In referring to “the real appropriation of human essence by and for man”, he also reaffirms his humanist ethos (i.e., the superiority of “species-being” over individuality).

Marx aims indeed at a rapprochement of men in opposition to the distancing provoked by the rise of private property. The telos of “communist relationships” refers to a higher order and clearly different values than those of capitalism. Marx’s aspiration

towards different norms is illustrated in his critique of the norm of accumulation institutionalized in the capitalist system:

“Accumulate, accumulate. That is Moses and the prophets! (As Adam Smith said) ‘Industry furnishes the material which saving accumulates’. Therefore, save, save, i.e. reconvert the greatest possible portion of surplus-value, or surplus-product into capital! Accumulation for accumulation’s sake, production for production’s sake: by this formula classical economy expressed the historical mission of the bourgeoisie, and did not for a single instant deceive itself over the birth throes of wealth”
(1887, chap. I, p.595)

Marx clearly rejects the logic of accumulation portrayed in classical economics. Accumulation (i.e., “the historical mission of the bourgeoisie”) is not a virtue but a vice. He also sees in the drive towards accumulation and saving a certain concern and even overemphasis on the “future”; a concern that is meant to ensure and “preserve” the status quo or the advantages of the capitalists (i.e., the reproductive nature of capitalism). In that, Marx inherently denounces the tendency to determine one’s present actions based on some sort of “preparation” for the future. He thus appears to understand the good life solely in the present. Marx does not even seem to conceive of the notion of “surplus”. For him, the good life is spontaneous.

Marx’s idea of a “higher” order is further reflected in his denunciation of the centrality of “profit” to capitalism.

“Production comes to a standstill at a point determined by the production and realization of profit – not by the satisfaction of social needs” (1894)

In other words, Marx denounces the ethics of profit found in capitalism. For him, human agency should be determined by drives different from those of “gain”. He wanted economics to emphasize less classical norms such as consumption and utility. Marx in fact proposed the establishment of a different normative system based on his understanding of the universality of mankind and contingent upon a psychological transformation of the individual. “Communist relationships” are thus the final “embodiment” of Marx’s normative conceptualization of the good life.

Marxism’s rather ambiguous nature greatly complicates the objective extraction of its norm. A close look at different Marxist concepts and assertions nevertheless enabled us to draw a somewhat concise portrait of Marx’s interpretation of the good life. His normative theory relied on several key notions such as emancipation from capitalism’s perversions, atheism, equality on grounds of capability and need, and a certain attachment to “productive labor” (i.e., “productive labor” as virtuous in its essence). The central normative feature of Marxism remains its dedication to equality, both in terms of control over the means of production (i.e., abolition of private property) and in terms of *final* social status. In that, Marxism prescribes socio-economic egalitarianism, in clear opposition to modern economics’ attachment to *initial* equity (i.e., equal opportunity). Inherently a political doctrine, Marxism also prescribes the conscious resistance to, and eventual overthrow of, capitalism. In fact, “progress” depends first on such a revolution.

Marx’s “ideal” person first belongs to a class, be it the proletariat at an early teleological stage or “humanity” eventually. She strongly rejects the comparison and differentiation of people and is clearly non-competitive. That, however, does not make

her complacent or apathetic. She actually wants to break away from capitalism's hold and is thus rebellious. Such an "ideal" agent is active, politically "organized" and strives for representation. She is inherently "free" (i.e., emancipated) and "productive" (i.e., labor is "good" in essence). A good caricature of the "happy" person would be the productive worker at her post throwing the sabot back in the assembly line as a sign of protest.¹¹ She is in fact both productive (i.e., creation of the sabot for the sake of creation) and rebellious (i.e., the action of throwing the sabot). Because her deed testifies to some political consciousness, she can legitimately "waste" the product of her work. This metaphor illustrates Marx's idea of "interest reconciliation" as the economic agent furthers the good of mankind (i.e., here the negation of capitalism's alienation of both labor and the worker). It finally implies the idea that the future (here the creation of the sabot for its eventual sale, stocking or later use) should not rule so much over our lives. Instead, we should be celebrating mankind's creative capacities and enjoy our "collectiveness" (i.e., the idea of humanity as a community of beings). In fact, Marxist teleology recognizes its final stage in the establishment of "communist relationships" which reflect a psychological transformation towards a "higher" normative system. "Communist relationships" embody the notion of mankind as "species-being" or the idea that all man – belonging to the same species – are inherently worth the same. "Progress" is therefore contingent upon the institution of such different values and norms than those of capitalism (e.g., utility, competition, consumption, profit, accumulation). Marx finally recognized the potential overthrow of communism, hence leaving open the possibility of other normative developments.

¹¹ Marxism does encompass a more "violent" dimension to the revolution of the proletariat than the one suggested here. Its discussion, however, is not the object.

IV: Thorstein Veblen's Approach to the Good Life

Thorstein Veblen (1857-1929) was an iconoclast whose pragmatic and critical perspective long stood aloof from mainstream, “respectable” economics. *The Theory of the Leisure Class* (1899) contains a normative evaluation of “conspicuous consumption” and of its underlying ethics of reputability. According to Veblen, such a perverted system of constant social comparison and pecuniary emulation is not conducive to the good life. We shall first explain the concept of “conspicuous consumption” and shed light on Veblen’s psycho-sociological and determinist approach to economics. Under the influence of recent evolutionary doctrines, Veblen does not embrace a teleological framework: the good life resides more in the *process* than the *end*. His vision of the good life rests on simplicity, independence, waste-aversion, workmanship and reformism. Moderation and “earnestness” characterize his ethics. A closer look at Veblen’s prescriptions furthermore reveals that his good life significantly revolved around individuality and privacy; at times even conveying some sense of autarky. In the end, *The Theory of the Leisure Class* remains a critical, even cynical, portrait of a specific class and system. In fact, Veblen spends more time marking his opposition to existing institutions than to assert his own prescriptions. Teasing out his personal norms and his consequent understanding of the good life will therefore necessitate both deduction and conjecture.

Veblen calls “conspicuous consumption” the process of consuming not for comfort or use but rather for honorific purposes. “Conspicuous consumption of valuable

goods”, he argues, “is a means of reputability to the gentleman of leisure” (1899, p.75).¹² According to him, the “pecuniary institution”, which he defines as a drive towards monetary grounded comparisons, greatly influences human agency. Veblen describes an “institution” as “a customary habit of thought” (p.191). He thus adopts a socio-psychological approach to economics in which the economic agent’s conflicting behavioral drives are to be analyzed within a societal context.

Veblen also marks his opposition to the 1870s marginalist revolution and its reductive picture of the rational, objective and self-interested human being. For him, human nature and human psychology were much more complex: “Man”, he once claimed, “is not a logical animal, particularly in his economic activity.”¹³ Indeed, economics too often approaches the individual as a solitary actor and therefore downplays the importance of social interactions and institutional norms on decision-making, but most importantly on individual as well as collective conceptualizations of the good life.

Veblen arguably saw life and human nature through the lenses of “genetic probabilism” (testifying to his fascination with Darwin) and “natural determinism”: “very much of squalor and discomfort will be endured”, he believed, “before the last trinket or the last pretence of pecuniary decency is put away” (p.85). For him, conspicuous consumption was an instinct. Veblen thought in terms of “race” and “organism”, thus adopting a deterministic framework:

“(…) the most ancient and ingrained of the habits which govern the individual’s life – those habits that touch his existence as an organism –

¹² All citations in this chapter refer to Veblen (1899).

¹³ Words attributed to Veblen by Stuart Chase in the foreword to the 1934 edition.

are the most persistent and imperative. Beyond these come the higher wants – later-formed habits of the individual or the race – in a somewhat irregular and by no means invariable gradation. Some of these higher wants, as for instance the habitual use of certain stimulants, of the need of salvation (in the eschatological sense), or of good repute, may in some cases take precedence of the lower or more elementary wants” (p.108)

In other words, Veblen acknowledges the existence of “higher wants”. However, he does not mention culture or the arts as potential pursuits, thus distancing himself from them. In enumerating certain objectives (e.g., “salvation”, “good repute”, etc.), Veblen also recognizes the plurality of “higher wants”. This clearly suggests that he envisions such different pursuits as “functional” or as teleological “auxiliaries”; that is, as existing, “available” pursuits which one can choose from (hence the idea of “auxiliary”). Consequently, Veblen appears to see the good life more in the *process* of attaining such ends (i.e., the motives and thought-process) than in the teleological *object* itself. This is how he approaches the good life. We now turn to the normative characteristics of his interpretation.

Veblen’s conception of the good life primarily rests on the virtue of simplicity. In fact, his main attack on the leisure class relates to its propensity to frame economic decisions in terms of social standing. Veblen denounces codes, “reputability” and social ranks. “Quiet simplicity” – the opposite of ostentation – characterizes his understanding of the good life.

“The basis on which good repute in any highly organized industrial community ultimately rests is pecuniary strength; and the means of

showing pecuniary strength, and so of gaining or retaining a good name, are leisure and a conspicuous consumption of goods” (p.84)

For Veblen, the good life is perverted by the “pecuniary institution” which regulates human relationships. Opposing all kinds of “ceremony” and superficialities, Veblen seems to call for “authentic” human contacts (pp.45-46). By inference, “the furtherance of human life” represents a return to “pure” and “genuine” drives (i.e., not based on pecuniary grounds), as best depicted by the rural and working class worlds.

Veblen favors the “rural” because of its resistance to the ethics of accumulation (i.e., the norm of “more is better”) intrinsic to conspicuous consumption. In fact, the leisure class institutionalizes pecuniary accumulation and constant need for more:

“But as fast as a person makes new acquisitions, and becomes accustomed to the resulting new standard of wealth, the new standard forthwith ceases to afford appreciably greater satisfaction than the earlier standard did” (p.31)

“If, as is sometimes assumed, the incentive to accumulation were the want of subsistence or of physical comfort, then the aggregate economic wants of a community might conceivably be satisfied at some point in the advance of industrial efficiency; but since the struggle is substantially a race for reputability on the basis of an invidious comparison, no approach to a definitive attainment is possible” (p.32)

In other words, Veblen denounces the “accumulative” inclinations of the leisure class. His conception of the good life therefore follows an ethics of moderation and balance. Beyond his rejection of the neo-classical norm of accumulation, such a prescription

further bends towards simplicity, parsimony and modesty. Hence, prodigality and extravagance do not characterize the “happy” man. What is more, “beauty” is for him primarily a matter of “straightforwardness” and “purposefulness”. Veblen writes:

“(…) by force of the past selective adaptation of men’s habits of thought, it happens that the requirements of beauty, simply, are for the most part best satisfied by inexpensive contrivances and structures which in a straightforward manner suggest both the office which they are to perform and the method of serving their end.” (p.151)

In fact, Veblen believes that one can live the good life by consuming inexpensive, “simple” goods. While conveying the idea that Veblen prefers *quality* over *quantity*, this statement further asserts his attachment to economy and simplicity.

Sticking to Veblen’s concern for behavioral drives, one potential interpretation of his prescriptions could be that he is indirectly arguing for some kind of psychological change as the first step towards the good life – much like Marx’s attainment of communist relationships or neo-classical transformation into a rational, consistent and “thought-through” economic agent. In this picture, the economic agent changes his “customary habits of thought” into simple, “authentic” and moderate paradigms. Another interpretation – more obvious in the light of Veblen’s text – induces a strong re-centering on the individual if not the complete rejection of society. Privacy – if not total autarky – appears inevitable (p.112).¹⁴ In fact, the basis of Veblen’s good life seems to be outside the social structure, at the margin of society and its norms.

¹⁴ Veblen effectively explains that ostentation leads to a “screening” of one’s private life from “observation” by others.

Though one could see here a solution “by default” (i.e., “giving up on society”), Veblen seems to privilege the rural world and its simple, straightforward lifestyle over its urban, superficial counterpart. By extension, Veblen appears to oppose all aspects of urban, modern society such as hyperactivity, increased communication, mobility, integration and interdependence. His opposition has nevertheless more to do with the economic implications of such aspects (i.e., their link to the pecuniary institution) than their intrinsic value per se; Veblen is not anti-technology. He focuses on the individual in clear denial of the communal realm: the caricature of his good life is the hermit, connoting some sense of self-sufficiency. Much like modern economics, the concept of *community* is not discussed in a collaborative or positive fashion. The central message is eventually that the good life remains a duty to oneself; a reflection of what one wants to do or could be doing beyond consuming and spending.

A clear desire for independence and emancipation from social norms also lies at the center of Veblen’s implicit prescriptions. Much emphasis is put on individual preferences: “whatever form of expenditure the consumer chooses, or whatever end he seeks in making his choice, has utility to him by virtue of preference” (p.98). In fact, utility and preferences reflect exclusively the individual’s personal choices. Such a desire for independence also shows through Veblen’s denunciation of social conformity: “The effects (of household adornments) are pleasing to us chiefly because we have been taught to find them pleasing” (p.82). One must break away from “imposed” social norms. Veblen’s good life is inherently anti-conformist.

Veblen is clearly interested in changing man’s behavioral process and turning it into a more emancipated and independent course. Individual preferences –not social

norms – must preside over the economic agent’s psychological process. Veblen also warns us against the “reproductive”, path-dependent aspect of conspicuous consumption: “The difficulty in the way of receding from an accustomed standard”, he claims, “is the difficulty of breaking a habit that has once been formed” (p.106). Eventually, Veblen wants to break free from conformist habits. As a result, his good life represents some kind of psychological rebellion. Considering his interest in innovation and his attacks on “conformity”, Veblen finally seems to prescribe “originality” – if not marginality (p.166).¹⁵ We now turn to the specific values attached to such activism; namely, waste-aversion and “workmanship”.

“The substantial canons of the leisure-class scheme of life are a conspicuous waste of time and substance and a withdrawal from the industrial process.” (p.334)

Veblen staunchly opposes “waste” and particularly the underlying “logic” of the leisure class that “in order to be reputable (consumption) must be wasteful” (p.96). He nevertheless has a precise understanding of “wastefulness”:

“It is here called ‘waste’ because this expenditure does not serve human life or human well-being on the whole, not because it is waste or misdirection of effort or expenditure as viewed from the standpoint of the individual consumer who chooses it.” (pp.97-98)

Waste only characterizes those activities and expenditures informed by invidious pecuniary comparison. For Veblen, the central question is precisely “whether (any action) serves directly to enhance [his definition of] human life on the whole – whether it furthers the life process taken impersonally” (p.99). The “fullness of life” corresponds to

¹⁵ Veblen marks his preference for creative, innovative courses over regulative, reproductive ones.

some sense of virtuous respect for certain essential values such as waste-aversion (p.100). This view is consistent with our earlier assertion about his emphasis on the *process* as opposed to the *telos*. Our interpretation of Veblen places the good life in the authenticity of, and motives behind, economic decision making. Waste-aversion constitutes one of the values attached to this process.

Veblen believed that conspicuous consumption was an instinct. However, he also acknowledged the presence in human nature “of features alien to conspicuous consumption” such as the instinct of “workmanship” (p.91).

“(…) that instinct disposes men to look with favour upon productive efficiency and on whatever is of human use. It disposes them to deprecate waste of substance or effort. The instinct of workmanship is present in all men, and asserts itself even under very adverse circumstances” (p.93)

Through the “instinct of workmanship”, Veblen marks his attachment to the “true” virtue of laborious, meritorious human industry: “There is gratification of the artistic sense in the contemplation of skillful work” (p.159). Such a bias could be understood as a backlash to the leisure class’ instrumentalization of, and disregard for, work. It also connotes affection for the “soil” and an ethics of “earnestness”, as shown by Veblen’s praise of the rural world.

This stress on the virtues of labor furthermore testifies to his interest in consistency and fundamental values as opposed to fashion, “vogues” and volatility. In the end, the instinct of workmanship is self-fulfilling: “a display of efficient workmanship is pleasing simply as such” (p.158). For Veblen, it even embodies the “court of final appeal in any question of economic truth or adequacy” (p.99). Workmanship, consistency and

other concepts linked to the institutionalist moral posture (e.g., “tasteful production”) therefore constitute the major pillars of Veblen’s interpretation of the good life.

Such a conception, one must nevertheless admit, constitutes more a behavioral or moral state than a precise *telos*. Workmanship is portrayed as an essential quality of the human being as such. Veblen’s view is effectively a statement about what the nature of man really is or should be. In that, Veblen’s approach appears more *ontological* than *teleological*. The good life eventually originates in the inner struggle between these different instincts (i.e., Veblen’s conflict of behavioral drives); workmanship “tempering” conspicuous consumption (p.105). The challenge finally lies in making sure the “better” instincts prevail, while harnessing the more perverted ones (p.97).¹⁶

Seeing the good life as a constant psychological “struggle” clearly implies some sort of “reformist” drive. A major figure of the American institutionalist movement, Veblen in fact believed in the “opportunity for reform” and saw economics as a “clinical science” (i.e., he conceived of an economy that can be fixed). His rebellious stance is therefore not surprising.

“It is to be noted then, although it may be a tedious truism, that the institutions of today – the present accepted scheme of life – do not entirely fit the situation of today. At the same time, men’s present habits of thought tend to persist indefinitely, except as circumstances enforce a change. These institutions which have so been handed down, these habits of thought, points of view, mental attitudes and aptitudes (...) are

¹⁶ Veblen also denounces the perverted instrumentalization by the “pecuniary institution” of “moral, physical, intellectual, and aesthetic force”; the arts (for which he does not seem to have much sympathy) being one example.

therefore themselves a conservative factor. This is the factor of social inertia, psychological inertia, conservatism” (p.191)

Veblen here denounces conservatism and “social inertia”, which are but the consequences of the institutional path dependency we described earlier. In other words, the good life is “active” and represents a “progressive” drive towards reform which is never ending. The last passage quoted also criticizes the fact that these institutions have been “handed down” (hence reasserting the need for independence). Veblen eventually goes back to the notion of psychological struggle in his discussion of progress:

“The evolution of society is substantially a process of mental adaptation on the part of individuals under the stress of circumstances which will no longer tolerate habits of thought formed under and conforming to a different set of circumstances in the past” (p.192)

“Social advance, especially as seen from the point of view of economic theory, consists in a continued progressive approach to an approximately exact ‘adjustment of inner relations to outer relations’” (p.192)

In other words, progress necessitates a mental adaptation to new circumstances. This assertion comforts our previous claim about the need for a psychological change in the economic agent’s behavioral drive. For Veblen, the good life is finally a simple, independent, waste-averse, “laborious”, progressive and adaptive process.

When analyzed more closely, Veblen’s prescriptions carry deeper theoretical and ethical implications. In fact, his call for independence and emancipation describes a very individualistic good life. We have seen that the notion of community – in its

collaborative, positive approach – is mostly ignored. Such individualism is further conveyed by Veblen’s discussion of charity:

“Among these aliens motives which affect the devout scheme in its later growth, may be mentioned the motives of charity and of social good-fellowship, or conviviality; or, in more general terms, the various expressions of the sense of human solidarity and sympathy” (p.333)

In other words, charity and “human solidarity” do not characterize the good life. Instead, they are mere “aliens”. For Veblen, charity simply reflects the “extraneous uses of the ecclesiastical structure” (p.333). Considering the positive image traditionally attached to activities like charity, such a view can seem paradoxical if not totally selfish. Veblen’s point, however, relates to a more general understanding of pecuniary dynamics:

“This non-invidious residue of the religious life, – the sense of communion with the environment, or with the generic life process, – as well as the impulse of charity or sociability, act in a pervasive way to shape men’s habits of thought for the economic purpose” (p.334)

Veblen in fact denounces the institution behind charity; an activity which he does not see as inherently “bad”. Though Veblen effectively promotes an individualist and somewhat antisocial vision of the good life, this final point is best understood as a critique of the “pecuniary institution” and of its pervasive effect on society.

In *The Theory of the Leisure Class*, Veblen conceives the individual in the good life as simple, independent, waste-averse and “industrious”. Breaking away from teleology, he prescribes a certain psycho-sociological approach and indirectly calls for a

mental change on behalf of the economic agent. This view clearly echoes the institutionalist creed in the “opportunity for reform”. Furthermore, Veblen frames such a struggle of conflicting behavioral drives within an ethics of moderation and “earnestness”. However, he falls short of providing a clear guideline for how to *collectively* live the good life. The picture Veblen puts forth is indeed very individualistic and exclusively confines the good life to the private realm.

Veblen’s “ideal” human being is first and foremost a simple, modest and quiet person living at a rather slow pace and staying away from hyperactive social scenes. She is some kind of hermit: strongly independent if not rebellious; direct, honest and genuine if not involuntarily rude. Her fulfillment is contingent upon the daily, monotonous yet passionate completion of manual, industrious labor. Skeptical of all artifices, she relies on consistent, fundamental values and resorts to “dispassionate common sense” (p.99). However, this ideal person is not adverse to innovation. For Veblen, the good life resides more in the *process* (i.e., the framing intentions and motives) of economic decision-making than in its specific *telos*. His approach is ontological.

“Progress” can finally be understood as a rejection of ceremonial behaviors and shallowness, but also as an embrace of the virtue of labor (as opposed to seeking laziness and perpetual, spiritless leisure). Veblen’s good life does not represent a return to backward, primitive activities but rather a look forward to the perverting influence of the “pecuniary institution”. In that, it constitutes a somewhat Physiocratic call for a more responsive, sensed and virtuous use of the surplus (in time and in resources) enabled by technology and “modernity” (p.111).¹⁷

¹⁷ Veblen nevertheless remains skeptical as to the real virtue of “modernity” as understood by technological advances.

V: John Maynard Keynes' Approach to the Good Life

Maynard Keynes certainly counts as one of the most interesting and intriguing figures in the history of economics. Throughout his life, he was influenced by, among others, Freud's psychology, American institutionalism, and even Marxism. Keynes' connection to the Apostles and the Bloomsbury group also significantly shaped his views on the good life. Such ties to an intellectual community were indeed quite singular for a major economist. In the history of economic thought, Keynes comes after (and against) the marginalist revolution of the 1870s. Beyond the mere "mathemization" of economics, this revolution also broke away from the long lasting teleological tradition observed in the Aristotle, Aquinas, Mun, Smith and Marx. The concept of utility was contested by Keynes, a strong opponent of Benthamism. His conception of the good life was essentially based on "the life of the mind", or any activity that intellectually or artistically engaged the individual. In opposition to marginalism, Keynes also embraced a teleological approach and added psychology to the economic discussion. Considering the dominance of neo-classical economics at the time, his methodology constituted a real breakthrough. In opposition to simple maximization of utility and accumulation, Keynes emphasized "purpose" and "inquiry" as determinants of the good life. His picture remains nevertheless complex, such a state would require a process fostered by "experience" and "training". We shall begin by briefly introducing Keynes' teleological approach to economics and his understanding of human nature. Then, we will present his idea of the good life. In the end, Keynes' norms interestingly mirrored the importance he attached to psychology and aptly reflected his liberal, progressive, moral and distinctive posture.

Keynes approached economics with a teleological framework. He saw history as a sequence of “struggles”, starting with the struggle for subsistence or “the primary, most pressing problem of the human race” (Keynes, 1973, p.327).¹⁸ At the center of Keynes’ theory lie a sequential picture of mankind’s evolution and the differentiation of two specific teleological “problems”. He writes:

“I draw the conclusion that, assuming no important wars and no important increase in population, the economic problem may be solved, or be at least within sight of solution, within a hundred years. This means that the economic problem is not – if we look into the future – the permanent problem of the human race” (1973, p.326)

In other words, solution of the “economic problem” only constitutes a step towards, a prerequisite to, the pursuit of the good life. Thus, Keynes departs from Marx’s notion of the “economic interpretation of history”. For him, man’s material condition is not that important. Despite a common teleology, Marx and Keynes also diverged on the dialectics of “history”: while the former believed in the inevitability of “explosion” and the necessity of revolution as the trigger of communism, the latter in fact theorized a gradual, less conflicting evolution of society:

“I see, therefore, the rentier aspect of capitalism as a transitional phase which will disappear when it has done its work. And with the disappearance of its rentier aspect much else in it besides will suffer a sea-change. It will be, moreover, a great advantage of the order of events which I am advocating, that the euthanasia of the rentier, of the functionless investor, will be nothing sudden, merely a gradual but

¹⁸ In this chapter, all citations will refer to the work of John Maynard Keynes except for once: Bell (1928).

prolonged continuance of what we have seen recently in Great Britain, and will need no revolution” (1947, p.373)

Although Keynes here acknowledges the influence of the “*rentier aspect of capitalism*”, he does not share Marx’s revolutionary inclinations. Evolution is “normal” and not “forced” as it is in Marx. As a result, the good life prescribed by Keynes substantially differs from Marxist “resistance”. We now turn to Keynes’ discussion of human nature in relation to the good life.

Keynes fiercely criticized economics for its inability to explain, or even acknowledge, “reality” (e.g., unemployment, inequalities, poverty, etc). The idea that, for too long, the wrong economic assumptions and policies have prevailed – in a sense, that economics’ methods are flawed or outdated – lies at the center of his theory:

“We have changed, by insensible degrees, our philosophy of economic life, our notions of what is reasonable and what is tolerable; and we have done this without changing our technique or our copybook maxims. Hence our tears and troubles” (1947, p.373)

In other words, Keynes was advocating an “active” change in economic methodology without which the “economic problem” simply could not be resolved and the good life attained. Part of this change consists in more “pragmatism” (e.g., Keynes’ emphasis on “experience” as opposed to theoretical dogmas), in seeing a positive role for the government, but generally in assuming a more sophisticated and realistic picture of human nature and of man as an economic agent.

In allowing for “volatility” in human behavior (something which neo-classicals consciously excluded from their models), Keynes is promoting the multidisciplinary,

psychological approach to economics of Adam Smith; an approach that recognizes “inclinations”, “propensities” and “intuitions”. Keynes did not decry the volatile, mercurial nature of man. For him, the undesirable psychological features were actually the “mechanical” or “automatic” ones which drove narrow, un- intellectual attitudes. Only by taking into account the mercurial and complex nature of man, he believed, could economics truthfully address reality, solve the “economic problem”, and eventually enable the pursuit of the good life. The good life effectively coincided with the endpoint of the economic “sequence”. We shall now turn to a more thorough analysis of Keynes’ prescriptions about the good life.

Contrary to most “modern” economic thinkers, Keynes quite directly addressed the question of the good life, the rationale behind its historical unfolding, and its theoretical characteristics:

“Thus for the first time since his creation man will be faced with his real, his permanent problem – how to use his freedom from pressing economic cares, how to occupy the leisure, which science and compound interest will have won for him, to live wisely and agreeably and well” (1973, p.328)

For Keynes, the good life requires first in an *individual choice*: namely, “how to use (one’s) freedom”, “how to occupy” and “how to live”. Such a stance clearly testifies to Keynes’ trust in the benefits of individualism and defies Marx’s economic and class determinism. Keynes effectively assumed the *intentionality* of the economic agent. His good life is inherently “liberal” (i.e., based on individual rights and preferences) and, consequently, very individualist. The sole center of interest is the individual economic

agent, not the community. Finally, Keynes did not seem to give as much importance to equality (definitely not as much as Marx), hence further downplaying the “communal” realm.

Despite a clear individualist bias, Keynes’s good life was also “progressive”, as shown by his “modern” views on peace, sex and drug questions (1973, p.301). His general approach to economics in fact aimed to “challenge” the status quo:

“We have to invent new wisdom for a new age. And in the meantime we must, if we are to do any good, appear unorthodox, troublesome, dangerous, disobedient to them that begat us” (1973, p.306)

Although Keynes opposed “revolution” in the Marxist sense, he nevertheless argues here for the necessity of “disobedience”. In doing so, he follows a progressive ethic echoing Bloomsbury’s rejection of Victorian norms. Keynes might have rejected Marxism on grounds of dullness and inconsistency¹⁹ but he himself, paradoxically, embodied the “revolutionary” economist.

A teleological thinker, Keynes staunchly opposed the essence of neo-classical economics. As we have seen, he first contested marginalist’s irresponsible “simplification” of economics which let one “to lose sight of the complexities and interdependencies of the real world in a maze of pretentious and unhelpful symbols” (1947, p.298). Keynes most significantly denounced the pecuniary or monetary bias of such a body of thought. For him, the good life did not rest on pecuniary considerations:

“The love of money as a possession – as distinguished from the love of money as a means to the enjoyments and realities of life – will be

¹⁹ Keynes once said about Marxism: “Marxian Socialism must always remain a portent to the historians of Opinion –how a doctrine so illogical and so dull can have exercised so powerful and enduring an influence over the minds of men, and, through them, the events of history” (1926)

recognized for what it is, a somewhat disgusting morbidity, one of those semi-criminal, semi-pathological propensities which one hands over with a shudder to the specialists in mental disease.” (1973, p.329)

Keynes here associates the “love of money” with some sort of mental dysfunction. For him, “money lovers” are simply ill. Arguably, Keynes also criticizes man’s insecurity as shown by his need for material, monetary “possession”. By inclusion, he moves away from the neo-classical emphasis on utility maximization. There is more to life, Keynes argued, than utility functions and indifference curves. His main point states that the good life is not contingent upon money accumulation: “money-making” is no end in itself.

“The strenuous purposeful money-makers may carry all of us along with them into the lap of economic abundance. But it will be those peoples, who can keep alive, and cultivate into a fuller perfection, the art of life itself and do not sell themselves for the means of life, who will be able to enjoy the abundance when it comes” (1973, p.328)

In other words, Keynes indirectly poses the question of “how to virtuously use the economic surplus”; or more exactly, “how to use one’s time and resources in a state of abundance?” His answer consists in a life of “inquiry” and dedicated to “the use of the mind” (i.e., what differentiates humans from other species). We shall now look at the influences behind, and the structure of, such a vision, before providing a more detailed discussion of “morality” and “purpose” as described by Keynes.

Although Keynes primarily resorted to personal experience when establishing normative positions, Bloomsbury’s philosophical concern for the “imaginative life”

certainly played an important role.²⁰ Fellow Bloomsbury G.E. Moore's stress on "consciousness" could indeed explain Keynes' emphasis on the "life of the mind". What is more, Clive Bell's idea of "civilization" sheds light on Keynes' connection of the arts and knowledge in general with a sense of "value" or "purpose". Bell also pointed out the non-linear relationship between wealth and intelligence, i.e. between money and the good life:

"There is no reason for supposing that the children of rich parents will be exceptionally intelligent and sensitive; and, in effect, the proportion of the existing leisured class which could be described as 'highly civilized' is absurdly small" (Bell, 1928, p.212)

Keynes agreed with the notion of non-linearity, as demonstrated by his staunch opposition to pecuniary considerations. He also subscribed to this idea of "civility" and "sophistication".

Influenced by Moore's discussion of truth, beauty and love (1903), Keynes was effectively searching for "new economic standards"; i.e., standards different from those of the marginalist revolution. This, however, does not mean that labour and "striving" had no place in Keynes' norms. His good life, though fundamentally less labour-oriented, did encompass the notion of work. At the same time, Keynes did not grant nearly as much importance to "productive labor" (in the ontological sense) as Marx or Veblen did. He also made sarcastic references to Adam's (i.e., Adam and Eve) inclination towards

²⁰ The direct influence of Bloomsbury on Keynes remains debated up to this day and constitutes a scholarship of its own (see, among others, Goodwin [1998, 2000]). Our observations here primarily find their origins in my lecture notes of: Craufurd Goodwin, "The History of Economic Thought", 11/17/04, and Goodwin, "The Art of an Ethical Life: Keynes and Bloomsbury", draft for inclusion in *The Cambridge Companion to Keynes*, December 2004 (URL: http://www.econ.duke.edu/~staff/wrkshop_papers/2005-Spring/Goodwin.pdf)

production and work (1973, p.328). According to Keynes, the problem was that man “had been trained too long to strive.” Economics’ overemphasis on labor also accounted for “one’s insecurity regarding the coming of the age of leisure and abundance” (1973, p.328). He wrote:

“It is a fearful problem for the ordinary person, with no special talents, to occupy himself, especially if he no longer has roots in the soil or in custom or in the beloved conventions of a traditional society” (1973, p.328)

In other words, Keynes’s enterprise was dedicated to look beyond the “common” framework of economics (i.e., work, production, consumption, etc). From a “structural” point of view, his idea of the good life mostly referred to leisure or to what one did when not working. The good life seemed to happen “outside” of work. In place of such a bias for labor and production, Keynes indeed prescribed the moral, purposeful “use of the mind”.

Keynes’ vision of the good life effectively pertained to issues beyond labor. In that, it mainly referred to the “abstract” realm. Keynes envisioned a teleological change in the “code of morals” triggered by the solution of the “economic problem”. He believed that, once the “economic problem” was solved, “true morality” would begin:

“We shall once more value ends above means and prefer the good to the useful. We shall honour those who can teach us how to pluck the hour and the day virtuously and well, the delightful people who are capable of taking direct enjoyment in things, the lilies of the field who toil not, neither do they spin.” (1973, p.331)

In other words, Keynes conceives of a change in human relationships as *telos*: namely, that “the critical difference will be realized when this condition has become so general that the nature of one’s duty to one’s neighbor is changed” (1973, p.331). In that, he interestingly followed Marx and Veblen in their respective ontology of human relationships. Keynes’ prescriptions are therefore inherently ethical.

“I see us free, therefore, to return to some of the most sure and certain principles of religion and traditional virtue – that avarice is a vice, that the exaction of usury is a misdemeanor, and the love of money is detestable (...)” (1973, pp.330-331)

While Keynes’ picture of the good life testifies to a particular understanding of freedom (e.g., freedom from Veblen’s “pecuniary institution”), it also embodies a certain idea of morality. Keynes effectively denounces the “vice” of avarice and calls usury a “misdemeanor”, not without moral undertones. His conception of the good life is thus an ethical statement. Here, Keynes further argues along the lines of Veblen and his critique of the influence of social and pecuniary norms.

Familiar with the reality of social interactions and the importance of “relative needs” (i.e., one’s position compared to others in society), Keynes well understood that “financial emulation” would always occur until society attained its “moral” *telos*. He nevertheless made prescriptions for the “intermediate state”: “Meanwhile,” he argued, “there will be no harm in making mild preparations for our destiny, in encouraging, and experimenting in, the arts of life as the activities of purpose” (1973, p.332). In other words, Keynes envisions the (intermediary) good life as a dedication to “purposeful” and “intellectual” activities (e.g., the arts).

“(…) the rest of us will no longer be under any obligation to applaud and encourage them (money-makers). For we shall inquire more curiously than is safe today into the true character of this ‘purposiveness’ with which in varying degrees Nature has endowed almost all of us” (1973, p.329)

Keynes effectively argues that once the “economic problem” is solved pecuniary drives will decrease, hence enabling the pursuit of more “purposive” ends. He defines “purposiveness” as following:

“For purposiveness means that we are more concerned with the remote future results of our actions than with their own quality or their immediate effects on our own environment. The “purposive” man is always trying to secure a spurious and delusive immortality for his acts by pushing his interest in them forward into time.” (1973, p.330)

“Purposiveness” can be understood as the idea that man should seek more “intellectually-challenging” or “substantial” goals than mere material accumulation (e.g., “inquiry”). It also denotes a certain call to “immortality” and a desire to “leave a virtuous trace” or a “legacy”. The good life thus “transcends” the short-term. In fact, Keynes strongly opposed neo-classical “short-termization” of both economics and the good life. He saw such a striving for “purpose” as “natural” or inherent to man’s essence. In that regard, a parallel with Veblen seems appropriate. “Purposiveness”, in the intellectual or even esoteric sense, is eventually what separates man from other species. For Keynes, it should finally inform and direct our conception of the good life.

Keynes’ perception of the good life was shaped by many different influences such as liberalism, psychology, American institutionalism, Bloomsbury’s philosophy, and

a strong aversion to both utilitarianism and normative Marxism (i.e., Marx's equalitarian and revolutionary propensities). From such contacts, Keynes constructed a liberal, "disobedient", progressive and "intellectual" picture of the good life centered on the mind and articulated around "purpose", "inquiry" and imagination. He did not conceive of "work" as the necessary "medium" of the good life. His prescriptions mostly applied to leisure. Keynes' economics and his conception of the good life inherently constituted an abstract, spiritual and even ethical statement. It opposed all material concerns such as pecuniary emulation or monetary accumulation. At the same time, Keynes' picture was inherently individualist and biased towards non-productive activities (i.e., occupations that did not create quantifiable wealth).

While waiting for Keynes' teleological change in human relationships, the "ideal" economic agent is first and foremost "spiritual", i.e. not interested in "grounded" or material matters. He is to some extent "mercurial" and impulsive in the "unpredictable" sense of the terms. His pursuits are mostly *cerebral*: the concept of "utility" is indeed a strange concept to him. The typical "Renaissance man", in his frivolousness, sophistication and even arrogance, symbolizes quite well Keynes' "happy" economic agent. The "true" standards according to which one should assess the worth of one's life mostly correlate, for Keynes, with one's mastery of the arts, literature, eloquence, general knowledge and other forms of scholarship. The "supreme" good life thus corresponds to the erudite's constant and "purposeful" engaging of the mind.

Keynes' main legacy to an understanding of our topic is to have introduced the idea that economics could be insightful and inform the good life without necessarily being quantifiable. For him, "progress" was inherently abstract or "intellectual" and

therefore could not translate into Benthamite “utility”. Keynes’ “new economic standards” and his inclusion of human psychology enabled a certain approach to both economics and the good life which other, more restrictive, models simply could not envision or tolerate. In broadening the scope of economics, he also expanded the range of potential interpretations of the good life. Keynes believed that the good life resided in the “life of the mind” and therefore admitted a normative hierarchy of his own. Although his main enterprise was to point out what the good life *should be* according to him, Keynes, through his unorthodox style and methodology, finally posed the question of what economics and the good life *could be*.

Conclusions

This paper has examined the discussion of the good life in modern economics as well as in the work of several important early economic thinkers. However, this is not a full or authoritative account of such a discussion in the history of economic thought. It does not delve either into comparative perspectives or the conception of the good life in other civilizations, economic science being essentially a Western discipline.²¹ Finally, this paper is a personal interpretation of scholarly works and cannot be substituted for a sociological explanation of how the good life currently is or has historically been conceived. Keeping these qualifications in mind, one can nevertheless draw several conclusions from our analysis.

Modern economics is seen by many of its practitioners and consumers as solely interested in the “objective” and “scientific” explanation of economic interactions. It sees the nature and the context of the good life as “exogenous” to economics. In fact, modern economics recommends such normative discussions be held in other disciplines (e.g., philosophy or political science). Considering the moral and philosophical origins of economics in Aristotle, Aquinas and other early thinkers, this comes across as rather paradoxical. In a sense, modern economics’ current position echoes the wish of Maynard Keynes to see economists become like “dentists”; i.e. economists as value-free, apolitical and objective professionals called in to solve technical problems. Our examination of the current picture, however, has revealed that modern economics is not totally value-free or

²¹ This does not mean, however, that economics as “the study of economic interactions” is absent from non-Western cultures. The point here is simply to explain that economics most specifically developed as a *science* in the West.

empty of normative substance. In fact, the notion of the “dry” and “neutral” economic science is a myth.

Modern economics’ norms become visible in its assumptions about human nature (e.g., freedom, intentionality, rationality, consistency and “preparedness”), the desired “objectives” it attributes to the economic agent (e.g., consumption, utility maximization, expenditure minimization and profit) and its underlying ethics (i.e., individualism, “competitive fairness”, efficiency, accumulation, pecuniary considerations). Modern economics stands out in the history of economic thought by the way it articulates the good life around the individual, money, and consumption. In this picture, “progress” is mostly conceived of as a material, quantifiable and “tangible” advance. Our first conclusion, therefore, is that modern economics contains a normative statement of its own, contrary to what is commonly believed.

The examination of the good life in Smith, Marx, Veblen and Keynes also demonstrates that the history of economic thought contains very distinct conceptions of the good life. All four economists had totally different – and sometimes conflicting – opinions on this matter: Smith sought “social harmony” and “benevolent empathy”; Marx prescribed a new value system based on equality; Veblen believed in “simplicity” and “workmanship”; Keynes finally promoted “the life of the mind”. Such a variety of interpretations contradicts the idea that economics has always abided by the same standards. The modern picture of consumption, utility maximization, and pecuniary considerations is also clearly different from these historical conceptions. They actually clash in many respects: for instance, modern individualism is at odd with Smith’s emphasis on the “community”; the competitive market system contrasts with Marx’s *final*

equality; the ethics of maximization and accumulation contradicts Veblen's simplicity and parsimony; finally, the current focus on utility strongly diverges from Keynes' artistic and intellectual standards. The discussion of the good life in the history of economic thought is not monolithic. Our second conclusion thus is that the modern view, though perhaps consensual today, is not reflective of the entire historical discussion. One ought then to wonder why modern economics has reached the current interpretation.

A look at the potential existence of normative trends and dynamics throughout history helps us shed light on the development of the modern picture. On the one hand, many normative "ruptures" transpire throughout the history of economics. On the other hand, several tendencies have also unfolded over time. With regard to the latter, the discussion of the good life first experienced a progressive emancipation from the dogmatic influence of ancient and "external" articulations of truth such as religion, natural law, superstition, kinship or nationalism. Following the Enlightenment and growing respect for "reason" and science, economics moved towards a secular (i.e., non-religious) and "unconstrained" (i.e., left to the agent's choice) approach to the good life. In that, it diverged from Aristotle's emphasis on natural law and Aquinas' religious framework. The economic agent was granted *intentionality*. This gradual movement coincided with a centering of the good life on the individual, testifying to the growing influence of liberalism.

Starting with Smith, the good life also began to focus on the notion of "work". This trend can be observed through the promotion of labor on grounds of its "productive" dimension (e.g., Smith) or its "essence" (e.g., Marx and Veblen). The notion of work being inherently linked to personal existence, such a trend further participated in the

centering of the good life in the individual. The individual effectively “owns” his labor and can, to some extent, exert control over it (as opposed to “external” truths which are imposed). In increasingly “grounding” the good life on a specific understanding of “work”, Smith, Marx and Veblen granted even greater prerogatives to the individual than previous interpretations. Although Keynes did not center his good life on labor *per se*, he nevertheless conceived of it in individualist terms (i.e., the “life of the mind” of the individual). In the end, such a drive towards a rather individualist framing of economics is reflected in the modern picture and more particularly in its focus on freedom of decisions, independence and intentionality. A final instance of similarity among historical interpretations of the good life has to do with psychology. In fact, modern economics’ indirect call for a change in human psychological drives towards rationality, consistency and “preparedness” echoes Marx’s attainment of “communist relationships” or Veblen’s reformist “mental change”. The good life historically seems to require some sort of psychological transformation on behalf of the economic agent. Trends, dynamics and similarities are therefore observable at the grand level.

At the same time, the story of the good life in economics is not that of a linear progression. Some conceptions have in fact clashed throughout time; economics has experienced “normative” setbacks. While the “individual” progressively became the center of interest of economic science, the concept of the “community” remained well represented historically, as in the pre-classicals (e.g., Aquinas’ “community of believers” or Mun’s “state”), Smith (“social harmony”) and Marx (proletariat and “species-being”). The inherent virtue of “labor” was another source of “conflict”: Marx and Veblen’s notion of the “essence of work” effectively collided with the utilitarian identification of

work with pain and Keynes' focus beyond work. The notion of "equality" opposed the neo-classical belief in *initial* equality or "equal opportunity" with Marx's *final* egalitarianism. "Empathy" is another example of conflicting interpretations: while Smith had put forth the notion of benevolence and Marx his communist ethos, modern economics finally centers on exclusive, "all-out" competitiveness.

Economics also observed a break from – or at least a de-emphasis on – the teleological tradition which dated back to the pre-classical era, Smith's "stationary state", Marx's "communist state", and Keynes's solution to the "economic problem". This tradition had conferred the good life somewhat of a secular unfolding (i.e., the good life as the quest of a lifetime). Veblen broke away from such an approach and focused more on the good life as a *process* than an *end*. Eventually, modern economics also promoted a perspective on the good life much more embedded in the short-term than its historical predecessors, hence symbolizing such a de-emphasis on holistic, teleological frameworks. Modern economics sensitively shortened its time horizon through its focus on consumption, profit, "opportunity cost" and equilibrium. In fact, it proposed a rather immediate articulation of the good life, therein reflecting current disinterest in issues (be they economic, social or political) pertaining to the long term.

Our third conclusion is that the story of the good life in the history of economic thought is, in the end, best seen as a "disrupted evolution"; i.e., a development encompassing both the unfolding of certain trends and the surge of unsettling conflicts. The conception of the good life eventually remains the reflection of society's normative evolution; a volatile "social construct" whose development economic science greatly contributed to, and which, in return, significantly influenced economics. We shall now

look at the type of influence exerted by the implicit conception of the good life on economic science and its normative implications.

Our analysis suggests that the “good life debate” greatly informed economics’ own discussion of its vocation (i.e., what economic science sees as its “natural” area of interests) and ambition (i.e., what economic science officially dedicates itself to achieving). In that regard, modern economics appears to be less “tainted” with ethics and less interested in raising “moral” issues than previous types of economics. That, however, does not make of modern economics a less “moral” discipline *per se*. This simply means that its implicit norms, when compared to others in the history of economic, lean less towards what are usually seen as good or virtuous values (e.g., empathy, solidarity, etc.).

Aristotle, Aquinas, Smith, Marx and Veblen intensively stressed virtue and general “good” values. They all were engaged “moral” thinkers. For instance, Smith prescribed “benevolent empathy”. Marx articulated his new value-system around notions of equality and solidarity. Veblen finally argued for simplicity, modesty and parsimony, which are widely seen as “positive” moral features. His concept of “purposefulness” and his ethics of “earnestness” also participated in the economic furtherance of ethics in connoting some sense of dedication and integrity. Keynes was no exception to this tendency but he nevertheless focused his prescriptions more on “sophistication” than strict ethics. His search for “new economic standards”, however, constitutes a certain understanding of “virtue”. In light of such positions, the examination of modern economics indicates a certain de-emphasis on “moral” grounding.

One must nevertheless acknowledge that modern economics possesses some “moral” or “virtuous” inclinations. For instance, “competitive fairness” or the idea of impartial competition suggests a dedication to integrity and equitability. In fact, the competitive market system embodies the notion of “equal opportunity” (i.e., *initial* equality). Modern economics’ meritocratic ethics is also “good” or virtuous in essence. In some sense, the concept of efficiency eventually connotes a virtuous and responsible dedication to avoid waste. Overall, modern economics seems nonetheless much less virtue-conscious than its predecessors. Although individualism, maximization, accumulation and profit are “economic” virtues, they do not necessarily constitute “ethical” prescriptions. Modern economics seems to reject solidarity and *final* equality. The competitive market system indeed organizes the all-out, divisive and exclusionary struggle of individuals for scarce resources. Economic and social differentiations are seen as “normal” because they reflect differences in capacities. Modern economics’ solitary frame also denies all sense of collaboration and “togetherness”. Finally, the idea that progress mostly corresponds to tangible and material advances opposes a more virtuous understanding of elevation or improvement. This clearly does not mean, however, that the discipline is rejecting moral values *per se* or making the case for “immorality”. What it simply does is point out that these specific values might not be “economically” sound (i.e., leading to “desired” objectives such as maximization or accumulation), as in the case of solidarity or empathy.

When making such observations, we finally do not claim to account for the profession in totality. Modern economics effectively enjoys a certain range in terms of “ethical inclinations”. In fact, growth theory or figures like Amartya Sen testify to a

certain desire to link economics to “morality”. At the same time, it seems rather safe to argue that the training of a PhD student will primarily focus on textbooks such as Mas-Colell et al. Sen himself declared that “the nature of economics has been substantially impoverished by the distance that has grown between economics and ethics” (1987, p.7). Our fourth conclusion is effectively that modern economics appears less concerned with the establishment of a “moral” framework than Smith, Marx or Veblen.

We have seen that virtue and ethics have had different positions in economics throughout history. Our fifth set of conclusions relates to one’s attitude regarding economic science. Considering that all schools proved to contain some normative substance (from Aristotle to modern economics), there seems to be no reason indeed to continue taking for granted the current picture and not challenging the assumptions it holds or the implicit claims it makes. In fact, the “triumph” of the modern picture has more to do with economics’ progressive simplification in assumptions and modeling for (understandable and important) methodological purposes, than with the discovery of truth about human nature and virtue. The current situation does not reflect the closest approximation to what is correct or, for that matter, “good”. Instead, it constitutes some kind of trade-off between psychological and behavioral “accuracy” (i.e., the extent to which assumptions correspond to man’ reality) and scientific explanatory capacity (i.e., economic science’s possibilities and abilities to explain economic reality). In that regard, it is important to note that both dimensions (i.e., accuracy and explanatory capacity) matter. One can also point out that, although Smith and Keynes did not reach modern economics’ technical expertise and range, their work – a mix of morality and science – still sheds great light on strict economic reality (for instance, Smith’s price

theory and Keynes' crisis explanation). In other words, explanatory capacity and moral structure are not mutually exclusive. Considering the broad range of historical interpretations and the changing nature of the good life in economic thought, one can finally wonder about the potential normative evolution of economics in the future. In order to shed light on such possibilities, we shall now look at the development of economics as a science over time.

From an epistemological standpoint, one can make several observations regarding the discussion of the good life through time. Epistemology is here understood as the investigation of the nature, origins, developments and limits of human knowledge. Our account shows first the tremendous influence of both assumptions (i.e., what are the core suppositions about human nature) and modeling (i.e., what is possible and/or desirable to model) on the eventual conception of the good life. For example, the normative differences between neo-classical economics and Keynes – due to their asymmetric methodology – epitomize such an influence. In including psychology within economics, Keynes in fact arrived at very different conclusions with regard to the good life.

The “construction” of economics as a science and specifically pivotal “turns” such as the simplification in assumptions and marginalist mathemization have played a critical role in the discipline's conception of the good life. As a result, these observations pose the greater question of how does a discipline (and for that matter, a society) organize facts, generate assumptions, build models, but most importantly how does it make sense of reality using them. It is essential to eventually keep in mind the extent to which such a development – consciously or unconsciously – has in fact *limited* or instead *widened* the

potential sphere of interpretation of the good life in economic science. Our sixth set of conclusions therefore begs several other questions: Is economics currently considering everything it can from a psychological, sociological and philosophical point of view? Should it? If so, how would it change its conception of the good life? If not, on what grounds should it refuse to broaden its perspective besides the methodological pertinence argument?

One of the important challenges which faces economic science today is eventually the extent to which it can be at the same time “technical” (i.e., explain as much of economic reality as possible), “theoretically accurate” (i.e., be correct about the real nature of man and human agency) and “moral” (i.e., prescribe through its norms values generally seen as “good”). Considering economics’ origins in moral philosophy (e.g., Aristotle, Aquinas) and its history of successive normative evolutions, one can question the current state of economics as simultaneously an “objective” science and a discipline implicitly less tainted with “virtue” or “morality”. Our analysis of the discussion of the good life in the history of economic thought has in fact shed light on these different technical, theoretical and normative dimensions, all of which bear critical importance. Thus, the question might well be one of aptly balancing “ancient” and “modern” insights.²² There is a strong case indeed for a different approach to economics and its teaching in particular. In regard to our strict interest for the good life, the economics curriculum (and liberal arts education in general) would finally be substantially ameliorated, should the *Wealth of Nations*, *The Theory of the Leisure Class*, or the *Essays in Persuasion* be a part of it.

²² In “After Samuelson, Who Needs Adam Smith?” , Kenneth E. Boulding proposes to balance the training of students of economics, biology and other disciplines with the teaching of ancient, fundamental “great books” such as *The Wealth of Nations* and *The Origins of Species* respectively; *HOPE* (1971, 3.2: 225-237)

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