

A HUMANE ECONOMY : INTRODUCTION

By Dermot Quinn

Economists do not stand high in public esteem, and for good reason. For one thing, they seem to get it wrong as often as they get it right. Offering certainties with the confidence of hard scientists, their predictions dressed in the best mathematical finery, they seem to have a record of success somewhere between that of a fairground madame and a reader of tea-leaves. The public, embarrassed and bemused by this nakedness, rightly prefers the *Farmer's Almanac to Keynes's General Theory*. Another problem is that they have power without responsibility. Economists are the unacknowledged legislators of the modern world, the shadowy eminences who determine all our destinies. Yet where are they when their theories explode? No where close to a ballot box. Indeed they not only escape censure but seem to imagine their services to be more indispensable than ever. Like the drunkards in Milton's *Comus*, unaware that wine has made them ugly, they "not once perceive their foul disfigurement/but boast themselves more comely than before." Politicians, not averse to similar boastings of their own, indulge these deceptions. The rest of us have to clear up the glasses. Yet these complaints only touch the surface of the problem. Mostly the public resents not so much the economist's showy obscurantism—graphs, formulas and the like—as the behaviorism that lies behind it. Like ghosts in someone else's machine, we are reduced to the measurable, the predictable, the banal. Not much humanity remains when all our strivings, our work and play, are known in advance and forecast with a slide-rule. Thus a paradox. The economist likes to speak of rational choice, but having conferred upon us the dignity of reason he renders it useless by describing *homo oeconomicus* as nothing more than an amalgam of rational choices. Ortega y Gasset once wrote of the expulsion of man from art. In *A Humane Economy* Wilhelm Röpke penned a brilliant denunciation of the expulsion of man from economics. The proper measure of mankind is man, said Alexander Pope. Man is also the proper measure of economics. "It is the precept of ethical and humane behavior, no less than of political wisdom," Röpke wrote, "to adapt economic policy to man, not man to economic policy." That, in sum, is the central insight of the book.

The point is simple enough: Economics is a dismal science precisely because it claims to be a science. It turns human effort into a quadratic equation. Yet it was not always this way. Adam Smith, first of the moderns in economic thinking, would have deplored the mathematical aridities of his neo-liberal disciples, who, like Oscar Wilde's cynic, seem to know the price of everything and the value of nothing. Smith was a moral philosopher before he was an economist. For him, the wealth of nations was not to be measured simply in money but in all of those social excellences that promote human flourishing: neighborliness, community, family, self-reliance, provision for the future. Economic activity removed from moral understanding was inconceivable to him. After all, buying and selling presumes some measure of trust between individuals, a disposition towards honorable mutual advantage. He would have found it strange that someone might write a book called *A Humane Economy* as if there could be any other kind. If Smith's moral theory is in some ways flawed—there is more psychology than philosophy in it—at least he recognized that economics does not stand alone but forms part of a broader understanding of the human person. Some of his followers disagree, generally with baneful results. The declension of

economics into calculation and calibration remains the besetting weakness of the subject. Art should not ape science; morality should not mimic mechanics.

Human dignity is, then, the central concern of economics. Yet to read *A Humane Economy* is to be made aware, with a terrible insistency, that precisely this dignity is threatened by the social and economic arrangements of our day. Consider the phenomenon which Röpke termed *vermassung* or "enmassment," the sheer crowdedness of contemporary life:

As we increasingly become merely passively activated mass particles or social molecules, all poetry and dignity, and with them the very spice of life and its human content, go out of life. Even the dramatic episodes of existence--birth, sickness and death—take place in collectivized institutions... People live in mass quarters, superimposed upon each other vertically and extending horizontally as far as the eye can see; they work in mass factories or offices in hierarchical subordination; they spend their Sundays and vacations in masses, flood the universities, lecture halls and laboratories in masses, read books and newspapers printed in millions and of a level that usually corresponds to these mass sales, are assailed at every turn by the same billboards, submit, with millions of others, to the same movie, radio and television programs...Only the churches are empty, almost a refuge of solitude...

This grim sociology of vastness, with its emphasis on collective over individual experience, largeness over smallness, self-indulgence over self-reliance, tends to fragment the human personality if it does not obliterate it entirely. The herd must be soothed, rendered passive, by magazines, television, gadgets and assorted electronic trinketry. The muzak of the malls ought to be Bach: "Sheep may safely graze." That is modernity's anthem.

Such jeremiads may seem excessive. Progress has its problems, it might be argued, but these are unavoidable in a crowded planet. Anyway is this not a price worth paying for universal material prosperity? Yet distaste for "the noise and stench of mechanized mass living" is not—as some might think—elitism or cultivated contempt for the herd. Nor is it pre-industrial romanticism, although, as Röpke pointed out, the cult of the standard of living amounts to a profound spiritual disorder. The point is not the banality of mass culture—although that is even more evident than when Röpke wrote—as its degraded moral sensibility. In the age of the masses, proletarianized man has chosen that others should make choices for him. Decisions are forever shifted upwards, from the individual, the family, and the group to corporations, federations, the state itself. There is a kind of moral infantilism in such dependency. But there is also, as with infants, a curious petulance. Children can be wilful, as if aware from time to time of their own weakness. Mass man, for all his shop-bought opinions and second-hand attitudes, congratulates himself on his own individualism. And indeed, Röpke argued, there is a dangerously individualistic strain in modernity. Detached from tradition, community, and family, from the moorings of natural law, modern man is left to his own devices. Rootless, he embraces any roots. Isolated, he seeks any society. Disintegrated, he craves any creed that might make him whole. "Loneliness, separateness, and isolation," suggested Röpke "are becoming the destiny of the masses." It is a situation pathological to the point of collective lunacy.

The lineaments of a social vision begin to emerge. Röpke stood squarely in the Burkean tradition that celebrated "little platoons"—family, church, community, civic association, rootedness in local things—as the best bulwark against the "bloated colossus" of the state. "The freedom of society resides in its pluralism," he argued, not in the tyranny of uniformity and centralization. This localism was not the smothering smallness that some critics see in conservatism, the elevation of the merely old and familiar into political principle. On the contrary it was a recognition that human societies must have human identity. Röpke did not propose miniaturist or naive social anthropomorphism so much as simple common sense. What was the alternative? The state as some Leviathan of rationalist planning that destroyed its subjects, then itself. That kind of totalitarianism, he suggested, is a defining characteristic of the age of the masses: the government assumes duties not its own and discharges them poorly, confiscates money not its own and disburses it prodigally, claims rights not its own and exercises them prejudicially. The collectivist experiment may begin with high ideals, but it ends by infantilizing the citizenry, creating a pocket-money state and a bureaucracy of nannies to run it.

Röpke was Burkean in another way. In the thought of both men there is an elegiac quality a longing for lost virtue, a desire for recovery. The "unbought grace of life" is gone, lamented Burke: decency, honor, heroism are despised. Röpke also spoke of those unbought graces—nature, privacy, beauty, dignity and repose which are the gifts that lie beyond prosy utilitarianism. This sorrowful tone causes trouble for conservatives. It smacks of nostalgia and cultural despair, self-pity and snobbery compounded into a flimsy philosophy of regret. *A Humane Economy* is certainly suffused with a sense of loss. Consider its autobiographical evocation of life before the age of the masses. "A village and small-town childhood, with its confident ease, its plenty, and its now unimaginable freedom and almost cloudless optimism" gave way, Röpke wrote, to war, revolution, inflation, depression, and unemployment. The dichotomy seems overdone, Yet it is accurate enough. Röpke's world *did* disintegrate in 1914: so did that of millions of others.

All the same, nostalgia is the weakest foundation for conservatism, no matter historically plausible it may be. But nostalgia is precisely what Röpke did not offer. He did not wish to set the clock back: rather, as he said, he wished to set it right. To do so he offered specific remedies for specific problems, all of them technically sophisticated, economically well thought out. But what kind of society did he seek to restore? It was one in which

wealth would be widely dispersed: people's lives would have solid foundations; genuine communities, from the family upward, would form a background of moral support for the individual; there would be counterweights to competition and the mechanical operation of prices; people would have roots and not be adrift in life without an anchor; there would be a broad belt of an independent middle class, a healthy balance between town and country, industry and agriculture.

This has a familiar ring. If *A Humane Economy* owes a debt to Burke, it also draws on Chesterton, Belloc, and the English distributist tradition. Compare, for instance, Belloc's distaste for monopoly capitalism and its proletarianization of the masses with Röpke's distaste for the "concentration" of wealth that allowed government, administration and wealth to be controlled by the powerful few at the expense of the powerless many. Monopoly, he said, was the worst form of

commercialism, "economically... questionable and morally... reprehensible." He might almost have been quoting from *The Servile State*. There were other similarities. *A Humane Economy* condemned the politics of "anonymous, unchallengeable and inscrutable" decisions, the inevitable concomitant of "concentration." *The Servile State* decried the "tendency to govern by clique" which "could not possibly arise in a genuinely democratic society." The list could be extended. Both men recognized the insolence and fraudulence of plutocracy, whether it speaks with an English or German accent.

If "concentration" is the problem, dispersal, it would seem, ought to be the answer. Both Röpke and the distributists held that private property widely diffused was the principle foundation of political freedom, the surest defense against the self-aggrandizing state. When property ceases to be a natural and primary right and is held instead at the whim of government, then "the end of free society is in sight." Why? Because "property" enshrines notions of privacy, independence, self-reliance, freedom and dignity which are principles that tyranny cannot abide. Ownership at once presupposes individual rights and promotes them. Röpke saw it as the cornerstone of the humane economy; Chesterton saw it as the outline of sanity; Belloc saw its absence as characteristic of a servile state. Its primary purpose and true merit lay beyond the visible and measurable. Property broadly understood represented a "particular philosophy of life,... a particular social and moral universe."

This plea for property was a plea against proletarianization. Only through ownership—of house, or land, or skill, or savings could workingmen free themselves from dependency. (Welfare is the most obvious dependency but wage-slavery is another.) But it was also, in a more positive sense, a plea for embourgeoisement. Property implies the existence of a society in which "certain fundamentals are respected and color the whole network of social relationships." Those foundations are:

individual effort and responsibility, absolute norms and values, independence based on ownership, prudence and daring, calculating and saving, responsibility for planning one's own life, proper coherence with the community, family feeling, a sense of tradition and the succession of generations combined with an open-minded view of the present and the future, proper tension between individual and community, firm moral discipline, respect for the value of money, the courage to grapple on one's own with life and its uncertainties, a sense of the natural order of things, and a firm scale of values.

Property, in short, is social propriety. Without it the particular moral universe of bourgeois values simply ceases to exist.

Yet if property is a trust it also requires trust. It enshrines a particular relationship between the citizenry and the state. To be sure, the state is more than an insurance arrangement between owners. Hobbesian or Lockean Man is not the best face that humanity can collectively muster. Nonetheless a key function of the state is fiduciary. It must protect property. When it fails to do so it embarks upon its own dissolution, even if—the irony is obvious—it conceals that fact by ever greater acts of enlargement and bureaucratic centralization. Citizens may reasonably expect that governments should be fiscally responsible and financially sound; that property should be freely heritable; that its use may be enjoyed primarily by themselves and their beneficiaries; that it should be

protected from predatory taxation and predatory inflation; that it should not be redistributed, with prodigies of moral self-regard, to fund welfarism that is itself morally corrosive. Likewise easy credit should be avoided: it is improvidence in another form. Saving should be encouraged. Regulation should be reduced. Progressive taxation should be pared back. The private should be preferred over the public. Monopolies should be dismantled. Banks should defend money, not dispense it at every turn. Small businesses should be promoted. Inflation should be fought without quarter.

These may seem like poujadist imperatives: shopkeeper economics, nothing more. That is hardly alarming. They have formed the basis of sound political economy for centuries and are not false for being unfashionable. To be sure, Röpke wrote against the tenor of his times, confident of later vindication. In obvious ways, that vindication has come. Keynes, his nemesis, has been exposed and deposed; the state is a little less bloated than before. Yet to read *A Humane Economy* in a spirit of smugness is manifestly to miss the point. The struggle against collectivism is never entirely won: it must be waged again and again in every generation. But it must be fought with proper understanding of the nature of the struggle. Free markets are preferable to tyranny not because they enrich us but because they moralize us. They connect us to authentic human communities, allowing us to be self-reliant yet also honorably dependent on the efforts of others. And precisely for that reason, to make a *cult* of the market is to detach it from its own moral imperatives. Markets do not generate moral norms: they presume them. Moreover, they offer the freedom of self-discipline, not unanchored greed. Besides, for all their excellence, markets are not everything. The vital things, Röpke realized, are those that lie beyond supply and demand, beyond the world of property, beyond the calculator's reach. Such is the point and paradox of the book. A humane economy is only, in the end, a shadowy reflection of the divine one.