‘Practical comparability’ and ends in

Economics

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Abstract This paper endeavours to summarize a variety of arguments for a reconsideration of ends in Economics. The logical structure of the rationality of ends (practical rationality) differs from the one of means (instrumental rationality). The paper sets out to explain the differences between both rationalities and some of the implications of incorporating this new emphasis on ends, given that Economics adopts the means rationality. The emergence of the topics of incommensurability and incomparability of ends is presented and a possible way to tackle it is suggested. Finally, some implications for Economics are drawn. This article emphasizes the importance of incorporating practical rationality into economic analysis. The arguments of the paper are built on Aristotelian grounds.

Keywords: ends and means in Economics, instrumental and practical rationalities, incommensurability, incomparability

Quantitative judgements don’t apply. (Evelyn Waugh, Sword of Honour)

# INTRODUCTION

As most economists know, standard Economics strives for the best possible allocation of means satisfying given ends.1 Although economists recognize that ends (preferences) are multiple and different they do not specify their nature. If these preferences are consistent and our subjective probabilities satisfy certain constraints, it is possible to represent our choices as if we were maximizing utility (see Robbins 1984: 15, 30).

What happens, however, with economic analysis if we delve into the black box of preferences? This theoretical insight can be found in the work of classical economists as well as in the work of (a few) recent economists. In this paper, first and foremost, I briefly explain why ends may indeed be of interest to Economics. Second, I outline a number of differences between the structures of the rationality of means and the rationality of ends. The key difference between them lies in the problem of the incommensurability of

ends which emerges in this second kind of rationality. This problem turns illegitimate the use of maximization in the realm of ends. I propose, however, that there is a possible way to overcome this problem, different from the one that an economist might have instinctively adopted. In fact, we should not attempt to commensurate ends but to ‘practically compare’ them as a way of deciding. The result of this procedure is not exact but, on occasion, it is the only feasible and sensible one. This is not irrational either. To approach this issue, I will mainly rely on Aristotle. Finally, a few ‘embryonic’ suggestions on how the problem of incommensurability and the proposed solution affect Economics are hinted in the article. Given the specific kind of rationality dealing with ends, i.e. practical rationality, if economic analysis wanted to enter the field of ends, it would have to take this into account. The paper is ambitious in its scope: a depiction of a general panorama is privileged over a thorough engagement in ‘local discussions’. It can be pointed out that the paper is programmatic: it aims to present and reflect on some problems rather than tackling specific problems in order to solve them.

# REINCORPORATING ENDS IN ECONOMICS

As conceived by Aristotle, economic analysis deals both with means and ends. For him, political economy was the use of what is needed for life and for the ‘good life’, i.e. a life of virtues (see Crespo 2006). Twenty-four centuries later, Max Weber stated (Weber [1922] 1978: 66ff.):

The most essential aspect of economic action for practical purposes is the prudent choice between ends […] Economic action is primary ordered to the problem of choosing the end to which a thing shall be applied, technology, to the problem, given the end, of choosing the appropriate means.

Following this consideration of ends it is worth mentioning Amartya Sen’s recent work. Concentrating on well-being, capacities, achievement and commitment, the Capability Approach (CA) stresses the importance of ends (see e.g. Nussbaum and Sen 1993: Introduction). While dealing with ends, Sen (2002: 51) calls for a broader conception of economic rationality than the one in vogue. Another recent approach, happiness theories also focuses on ends.2

The ‘given-ends perspective’ has some advantages. First, it provides exactness, logical and mathematical determinacy, to Economics (Davis 2004: 401). The key to circumscribing human action into an exact frame is to consider ends or preferences as given. This permits the formulation of exact laws (see e.g. Menger [1883] 1985: 216–9). Following this approach, Economics can render the exactness of a technique. Paradoxically, Robbins (1984: 35) separated technique from Economics: the former case has one end and a multiplicity of means; in the latter both ends and means are multiple.

Following his approach, however, Economics becomes a technique through the expression of the choice of preferences by the maximization of utility. If being ends multiple they cannot be expressed quantitatively using a homogeneous measure, calculation and exactness become impossible (cf. Ralph Souter’s criticism of Robbins: Souter 1933: 383ff.). A second advantage of the ‘given-ends perspective’ is that it rules out subjective and evaluative elements from science. This is achieved by a new step in the progressive elimination of subjectivity from Economics, i.e. Samuelson’s theory of revealed preferences. A third advantage of this perspective is that, in fact, it is necessary to adopt it at some stage: within the process of human decisions and actions we need to stop the deliberation on ends at any stage and start looking for means, taking the ends as something that has been previously decided.

Hitherto, the ‘advantages’ of the given-ends approach have been briefly outlined. However, a number of disadvantages also pervade this perspective. The major one states that, since there is not real action without ends, if ends are given, Economics is not a science of real action, but of past actions. Talcott Parsons (1934: 513–14) wisely identified the setbacks stemming from this attempt. He asserted: ‘To be sure an ‘‘end’’ may refer to a state of affairs which can be observed by the actor himself or someone else after it has been accomplished.’ Robbins’ ends, Parsons concluded, are not actually ends. They are, if properly interpreted, a result: ‘The scale of valuation is not a factor in action, but is merely a resultant, a reflection’ (1934: 516). In the same vein, Frank Knight asserted:

Economic rationality as a description of deliberative conduct is limited in two further respects, fully as important in principle as the fact that actual results of action diverge in all degrees from the intention of maximizing a given end. First, the end is rarely or never actually given in any strict sense of the word; rather, it is in some degree redefined in the course of the activity directed toward realizing it, and the interest in action centers in this definition and discovery of ends, as well as in their achievement […] The second limitation to which the notion of given ends is subject – […] – is that to the extent to which an end is given, it is not really the end in the sense of finality.

(Knight 1956: 128–9)

(See also the ‘reconstructed’ reply of Knight to Becker and Stigler in Emmett 2006.)

We should add that ends are not given but they are generated in the very process of action: it is a dynamic process. This is wonderfully explained by David Wiggins:

In the non-technical case I shall characteristically have an extremely vague description of something I want – a good life, a satisfying profession, an interesting holiday, an amusing evening – and the problem is not to see what will be causally efficacious in bringing this about but to see what really qualifies as an adequate and practically realizable specification of what would satisfy this want. Deliberation is still a zetesis, a search, but it is not primarily a search for means. It is a search for the best specification. Till the specification is available there is no room for means. When this specification is reached, means–end deliberation can start, but difficulties that turn up in this means–end deliberation may send me back a finite number of times to the problem of a better or more practicable specification of the end, and the whole interest and difficulty of the matter is in the search for adequate specifications, not in the technical means–end sequel or sequels.

(Wiggins 2002: 225)

Means and ends mutually interact and determine each other. The consideration of ends as given entails a truncated action which does not actually echo human action. It is actually a fiction. ‘Acting on such radically truncated judgments would be crazy’, Anderson asserts (2005: 8).

However, as already explained, we have to stop deliberating at some stage and act: at this stage Economics intervenes looking for the adequate means. On the one hand, we have the ‘unending’ process – the actual situation in which the agent decides and acts not only as an economic agent but also integrating other dimensions in his/her decision. On the other hand, we have Economics – the study of the most efficient process for allocating means – that would intervene upon a provisional interruption of the decision process about ends. This analytical distinction is – albeit difficult – theoretically possible and is held by most economists. It assumes that Economics is not normative about ends. However, as soon as we enter into the field of practice we are necessarily dealing with ends because action is not possible without them. It is practically difficult to refrain from crossing the borderline separating theory from practice: this step may be rather imperceptible.3 In the meantime, Wiggins’ quotation suggests that the rationalities of means and ends are different. Thus, it is interesting that economists come to grips with this distinction, because a number of mistakes might arise from neglecting it.

Furthermore, Economics need, at least, an order of preferences which cannot be achieved without a substantive assessment of ends. Finally, as previously mentioned, ends emerged as a major matter of concern for economists. The CA and happiness theories are both concerned with either personal or economic policy decisions which deal with ends. If they cannot distinguish the rationality of means from the rationality of ends they would be inclined to apply the instruments for deciding about means to decisions about ends. Nevertheless, this would be a misapplication. Then, let us concentrate on this point.

# STRUCTURAL DIFFERENCES BETWEEN RATIONALITIES OF MEANS AND ENDS

Technical rationality is the order inscribed in the action so as to attain the desired external result, i.e. how means can be combined together to originate a product (or service). A deliberation about means is central to this kind of rationality. On the other hand, practical rationality entails a debate on the possible conformation of our constellation or order of ends. In other words, we use technical reason when we deliberate about the means–ends relation and we use practical reason when we deliberate about the ends that we are choosing.4 In classical philosophy, technical rationality, on the one hand, is considered to be the rationality of transitive actions, which are called poieseis or facere (to produce). Practical rationality (or ends rationality), on the other hand, is considered to be the rationality of immanent actions (when there is an inner result), which are called praxis or agere (to act). In the Metaphysics, Aristotle explains that immanent actions are actions whose end is the action itself such as seeing, thinking or living and that transitive actions are actions where the ‘result is something apart from the exercise [of the action], (and thus) the actuality is in the thing that is being made’ (IX, 8, 1050a 30–1). All human actions are both immanent and transitive except for a fully immanent action (e.g. to think, to love). That is, the distinction between praxis and poiesis does not call for different physical actions: these are dimensions or aspects of the same actions. Let me provide an example: when somebody works there are two results, i.e. an ‘external’ result, such as the product or service (transitive), and a ‘subjective’ result such as the increase in ability or the self-fulfilment of the agent as well as the morality of the act (immanent). For Aristotle, this latter – the immanent aspect – is the most relevant one. Aristotle says, ‘we call that which is in itself worthy of pursuit more complete than that which is worthy of pursuit for the sake of something else’ (Nicomachean Ethics I, 7, 1097a 30–1). That is, Aristotle attributes more relevance to the intrinsic or immanent aspect of action – that which is in itself worth pursuing – because it is the aspect for which end is the very fulfilment or perfection of the agent. For him the external aspect of action is simply instrumental.

Aristotle points out in his Nicomachean Ethics (NE) that ‘the reasoned state of capacity to act [hexis logou praktike´] is different from the reasoned state of capacity to make [poietikeˆs]’ (NE VI, 4, 1140a 2–5). Aquinas adds, clarifying Aristotle’s point, that ‘Reason stands in different relations to the productions of art, and to practical actions. In matters of art, reason is directed to a particular end, which is something devised by reason: whereas in practical matters, it is directed to the general end of all human life’ (Summa Theologiae I IIae q. 21, a. 2, ad 2). Deciding ‘how’ to do something and ‘what’ do we do and ‘why’ we do it are different matters pertaining to different logics.

The simplest structure is the technical one: given a specific end, we look for the appropriate means or instruments to achieve it. This instrumental character of means explains the name ‘instrumental rationality’. Within this rationality one may ask which is the ‘best’ use or allocation of means in order to achieve the end using the best possible cost–benefit equation. Standard economic rationality is in line with this perspective which is called maximization or optimization.

Maximization as a kind of technical rationality undergoes the same limitation: as quoted from Aquinas, ‘[it] is directed to a particular end’. This is why, as described above, Economics expresses quantitatively the choice of qualitatively different particular ends by the maximization of a common notion – utility (or value). One may wonder whether this is possible. This leads us to consider the nature of ends and the logic of the deliberation about them, i.e. the structure of practical rationality.

I described it as the order of ends so as to form an ordinate constellation. We may distinguish (a) ends that can be considered only as means, only pursued for the sake of something else (first-order or instrumental ends); (b) ends that are desirable in themselves and also pursued for the sake of the final end (second-order ends); and (c) ends which are only desirable in themselves (third-order or final ends: usually known as ‘happiness’).5 For example, we study for an exam (i.e. a means for an instrumental end) in order to achieve graduation (a second-order end), in order to be happy (a final end), according to our plan of life (designed by practical reason). Practical rationality harmonizes the complex set of second-order ends in order to achieve a plan that will make us happy. This plan, however, is not perfectly designed: people must deal with the future, the complexity and the singularity of situations. All these conditions turn plans incomplete, uncertain and underspecified. Human time, rationality and freedom open the practical realm. Consequently, the relationship between these elements (different levels of ends and means) is dynamic involving shifting elements. Notwithstanding, there is a general final end and a preliminary plan or draft of ends that will contribute to the longed-for happy life: material conditions, family life, friendship, social life, professional development, culture, art, religion, political and economic freedom, to mention a few. These ends are simultaneously sought in themselves and as means to reach the final end. Practical reason regulates the choice and ordination of these ends.

According to Aristotle, the habit of practical rationality is practical wisdom. In his own words:

[I]t is thought to be the mark of a man of practical wisdom to be able to deliberate well about what is good and expedient for himself, not in some particular respect, e.g. about what sorts of things conduce to health or to strength, but about what sorts of things conduce to the good life in general.

(NE VI, 5, 1140a 25–30)

Deliberation on means dealing with health corresponds to instrumental rationality. Health, strength, and the like are ends in themselves and are also sought for the sake of the ultimate end which is desired, namely ‘a complete life. For one swallow does not make a summer, nor does one day; and so too one day, a short time, does not make a man blessed and happy’ (NE I, 7, 1098a 18–20). This leads to a hierarchy of ends, not necessarily fixed for ever, but dynamic.6

Thus, the differences between the rationalities of means and ends are:

1. Within the means–end logic the means are only instrumental and disappear as soon as the end is achieved. Instead, taking the logic of ends, the ends must remain and cannot disappear because they are worthwhile in themselves and necessary for the achievement of the final end.
2. While ends may be considered as given in the technical case, in the practical case we advance by sizing up, determining and modifying ends as action progresses.
3. Means are considered as commensurable and interchangeable, substitutable, at least to some extent. Conversely, ends must stay and a rate of substitution cannot be a priori determined according to their values, because they were not completely defined before the performance of a particular action.
4. The difference is reinforced by the thesis of the incommensurability of ends before the action. If there is no common measure to assess ends, they cannot be maximized. They are harmonized, coordinated, aligned and subordinated to happiness by practical reason. The lack of a common measure does not rule out reason from the realm of ends. The calculative role of reason is not the only one; it is merely one of its many possible functions – and perhaps the least relevant.

The problem of incommensurability has to be explored in depth because, at the end of the day, we continuously choose. Thus, we may ask, what do we do to achieve it? Is it possible to establish a certain comparison? Or do we choose irrationally? Should we do it in a different way?

# INCOMMENSURABILITY

## Introducing the problem

Amazement is and has always signalled the beginning of science (Aristotle, Metaphysics I, 2, 983a 13). Within the range of surprising facts that amazed men and originated science, Aristotle mentioned the incommensurability of the diagonal (Metaphysics I, 2, 983a 15–20). The commensuration of second order ends would have similarly surprised Aristotle and most Occidental thinkers until Utilitarianism.7

To compare is to specify the similarities and differences among different things. According to Aristotle, this can be done, first, quantitatively, by commensuration (to a greater or faster extent); second, in a quantiqualitative way, by a comparison of the intensity or degree of the quality (bluer or colder); and finally, by ‘comparison of priority’ (better or happier). Comparison is the genus and the other concepts, the species. In this paper I adopt this terminology. I will analyse these kinds of comparison one after the other.

### Commensuration

According to Aristotle, commensurable things can be compared through a common unit of measure which they all share: we can commensurate when we have a common measure. He states in the Metaphysics (X, 1, 1053a 24): ‘the measure is always homogeneous with the thing measured … that of weight is a weight, that of units a unit.’ Thus, ‘number is not predicated of that which is not commensurate (me symmetros)’ (V, 15, 1021a 5–6).

A characteristic of commensuration according to Aristotle is that when we commensurate we do not take into account the ontological differences but only consider things as undifferentiated: ‘with numbers we suppose that what are equal and completely undifferentiated are the same’ (XIII, 7, 1082b 7–9). In addition, ‘in the case of indivisibles (atomoi), one is not prior, another posterior’ (III, 3, 999a 12–3). Aristotle’s idea is that when there is a relation of qualitative priority there is no commensuration: we do not consider common features of things, but the differences between them. We display pictures following an order of preference when we distinguish them; in order to count them we must leave their differences aside.

### Comparison by intensity or degree of quality

However, according to Aristotle a quality can accidentally be a quantity. He notes: ‘Strictly speaking, only the things which I have mentioned [number, time, space, etc.] belong to the category of quantity: every thing else that is called quantitative is a quantity in a secondary sense (kata` symbebeko´s, per accidens). It is because we have in mind some one of these quantities, properly so called, that we apply quantitative terms to other things’ (Categories VI, 5a 36–5b1). Furthermore, he adds: ‘Qualities admit of variation of degree. Whiteness is predicated of one thing in a greater or less degree than of another’ (Categories VIII, 10b 26). But the range of qualities has limits: while quantity does not admit an opposite, quality does (blackness and whiteness, goodness and badness) (Categories VI, 5b 11 and 8, 10b 13). That is, within some qualities we may establish an ordinal scale. Some authors consider this possibility as commensuration and others regard it as comparison. According to Aristotle, it would be more appropriate to understand it as a comparison: ‘Thus it is not all qualities which admit of variation of degree. Whereas none of the characteristics I have mentioned [i.e. to have degrees] are peculiar to quality, the fact that ‘likeness’ and ‘unlikeness’ (o´moia kai ano´moia) can be predicated with reference to quality only, gives to that category its distinctive feature’ (Categories VIII, 11a 15–16). The Latin translation of omoios is par (like), which is the origin of the Latin verb comparare and the English one ‘to compare’. That is, when we claim that a particular robe is whiter than another one, we are actually comparing. On the other hand, from the point of view of quantity, something can be said to be equal (and to a greater or a lesser extent). When we claim that a car is faster than another we are, in fact, commensurating.

Let us take another step. We may assign numbers to the degrees of qualities. This may be more or less precise. It is much simpler to do it with whiteness rather than with goodness. This is normal practice in Economics, e.g. when devising a utility function to measure different goods. This is not new. Aristotle himself did it for the first time: ‘things that are exchanged must be somehow comparable. It is for this end that money has been introduced, and it becomes in a sense an intermediate; for it measures all things, and therefore the excess and the defect – how many shoes are equal to a house’ (NE V, 5, 1133a 20ff.). Aristotle then highlights that money is the representation of demand (chreia, subjective need – though not arbitrary) through price. However, a tension remains: ‘Now in truth it is impossible that things differing so much should become commensurate, but with reference to demand they may become so sufficiently.’8 In order to exchange those things, we may add, in a secondary sense, kata` symbebekos (by accident). When we put a price to different things, we are representing or reducing their differences to undifferentiated units. However, differences remain and resurface, for example, when somebody does not agree with the price. Someone may find the good cheap and someone else may find it expensive but cannot avoid buying it; they exchange the good at this equilibrium price but they assess it differently. Let me put another clearer example: when a worker dies due to a work accident, the insurance company pays a certain amount. This amount is conventionally determined by a scale that considers things such as the worker’s position and the seniority of the employee. But, surely, this amount is not meant to represent the value of the person who has died.9 Keynes states about these kinds of scales:

When we describe the colour of one object as bluer than that of another, or say that it has more green in it, we do not mean that there are quantities blue and green of which the object’s colour possesses more or less; we mean that the colour has a certain position in an order of colours and that it is nearer some standard colour than is the colour with which we compare it.

(1973: 38–9)

The objective quality measured may not, strictly speaking, possess numerical quantitativeness, although it has the properties necessary for measurement by means of correlation with numbers. The values which it can assume may be capable of being ranged in an order […]; but it does not follow from this that there is any meaning in the assertion that one value is twice another value […] It follows that equal intervals between the numbers which represent the ratios do not necessarily correspond to equal intervals between the qualities under measurement; for these numerical differences depend upon which convention of measurement we have selected.

(1973: 50)

Therefore, we can compare using the different degrees of qualities, despite the limitations of the procedure.

### Comparison by priority

In Categories V 3b 33–4a 9, Aristotle affirms that ‘one man is not a more man than another, as one pale thing is more pale than another and one beautiful thing more beautiful than another […] Thus substance does not admit of a more and a less’. That is, if we consider only the undifferentiated substance the only thing we can do is to commensurate, but not to compare by a ranking. However, he also affirms that Socrates is more a substance than the species man and the genus animal (both secondary substances) and that of these secondary substances the species is more a substance than the genus because it is nearer to the primary substance (V 2b 7–8 and 17). That is, this hierarchic comparison is not by degree of the quality of being substances, but by the kind of substances they are.

There is another passage which is especially relevant to our problem: the incommensurability of second-order ends. In Topics III, 2, 117a 16–21, Aristotle asserts that if a particular good constitutes a valid means to reach another good the former one is no longer desirable as soon as the latter is achieved, i.e. things belonging to a hierarchical order are neither commensurable nor additive:

Moreover, a great number of good things is more desirable than a smaller, either absolutely or when the one is included in the other, viz. the smaller number in the greater. An objection may be raised: suppose in some particular case the one is valued for the sake of the other; for then the two together are not more desirable than the one; e.g. recovery of health and health, than health alone, inasmuch as we desire recovery of health for the sake of health.

Thus, when something is comparable by way of priority it is neither commensurable nor comparable by degree of quality.10 This is an analogical comparison. I will come back to the issue of analogy.

Whenever we commensurate or we compare by degree of quality we may also maximize. What do we do – when comparing – we strive for our best? My colleague, Patricia Saporiti, once pointed out:

Literally speaking ‘maximum’ is the superlative of ‘great’ whereas ‘optimum’ is the superlative of ‘good’ [this is properly the best]. The agent maximizes when she deliberates on a quantitative basis and optimizes on a qualitative basis (she establishes a hierarchy of ends). […] Maximization only makes sense if integrated in an optimization.

(Patricia Saporiti, personal letter, 12 October 2005)

This sense of optimization is obviously different from the one adopted in Economics (which includes both maximization and minimization). We should also add that acting does not necessarily entail maximizing or optimizing.

4.2 How do we sort out the problem of incommensurability and incomparability?

Aristotle argues against Plato’s monistic conception of the good: ‘of honour, wisdom, and pleasure, just in respect of their goodness, the accounts are distinct and diverse. The good, therefore, is not some common element answering to one Idea’ (NE I, 6, 1096b 22–5; cf. also Politics III, 12, 1283a 1ff). However, Aristotle is only signalling that there is no ‘common element’ between these goods. According to his thought, this discards commensuration and comparison by the intensity or degree of the quality but not comparison by priority. They are all goods but in this case good is not a common measure: they are actually different goods. Alternatively, Ruth Chang distinguishes being useful, skilful, enjoyable, beneficial and morally good as incomparable ends (1997: 257). Chang asserts that abstract general values do not sort out the problem: ‘it makes no sense to say that one thing is simply better than another; things can be better only in a respect’ (1997: 6). She then looks for a common element, for a covering value, something that would be impossible in the realm of comparison by priority from an Aristotelian point of view. This quest is understandable: how can we compare these different things without a common reference? Chang suggests that there are always, although sometimes unnamed, covering values.

According to my interpretation, the Aristotelian answer would be that we do not need covering values, but practical reason governing decisions.

Practical reason appraises the contribution of each different end to the desired final end; it assesses the actual situation against the blueprint of our plans of life in order to make the required concrete decision. The desired final end is the point of reference adopted by practical reason in order to compare and compose the hierarchy of the different ends. I propose to label this particular ability to compare ‘practical comparability’. This comparison applies to the different things predicated by analogical – not univocal – terms. Primary and secondary substances are substances; however, the difference between them is different from the difference e.g. between a particular day hotter than another. As stated, honour, wisdom and pleasure are goods; however, they are different. In these examples the terms ‘substance’ and ‘good’ are used analogically.11 We are relating logoi by means of another logos (Flannery 2001: 99).

For Aristotle, practical activity (praxis), contemplation and God are all energeiai. Could we affirm that to be energeiai things have something in common? We can affirm this in a certain sense. However, this does not entail asserting the kind of commonality different degrees of blues share. ‘[A]ll things are not said in the same sense to exist actually (energe´ıa), but only by analogy (ana´logon)’(Metaph IX, 6, 1048b 6–7).

Analogy allows to establish a hierarchy without considering covering values. As Anderson states, ‘we reject commensuration in favour of hierarchy, when the function of a comparative value judgment is to accord a higherstatusratherthanagreaterweighttoagoodindeliberation’(1997:105).

In order to clarify, it can be highlighted that, first, this hierarchy may change: Taylor (1997: 182) outlines the ‘Kairotic element or context’. During some parts of our life we might prioritize some ends over others. But such a choice can change afterwards. To give an art example, a painter may fill his/her sketch in order to, later on, finish the picture (by taking practical decisions on the concrete colours and forms). Alternatively, s/he may paint beside the original sketch or substantially modify it. The sketch, however, remains aside or behind this last stage of development of the picture. The former is an image of the cautious person practically comparing and deciding how to achieve his general plan of life. The latter is an image of the incontinent (akrates) which rationalizes on how or why to behave in a different way. This highlights the relevance of human time which enables us to provisionally step outside our plan of life.12

Second, this hierarchy is abstract; it does not have a significant meaning unless we use it for a specific decision. Orderings and hierarchies become more relevant when conflicts appear. Suppose that I am a fan of pop music and a fervent Catholic. Suppose that attendance at a concert of the recent Pop Idol would clash against my regular attendance at Sunday Mass. Nobody would calculate the specific utility of both engagements in order to compare them afterwards. Both this calculation and its corresponding weighing of utilities become impossible. We should decide on the basis of the appraisal of our practical reason. While I was writing this article, I asked a friend (who is a judge) about his procedure to compare particular colliding values in order to solve dilemmas. His answer was: first, this comparison is qualitative; second, there are always good reasons to decide for or against – or for a combination contained within the wide gamut of possible greys – and, finally, that this solution is ‘reasonable’ (one of the best words to express practical rationality).

Then, third, this procedure is rational. Practical reasonableness is not irrationality but the rationality of human affairs, which may – and actually often does – include or adopt some feelings and emotions. The decision made is not exact; it may be contested. But, quite often, this is in line with the general appraisal. Rationality does not entail exactness. Rigorous thinking in the practical field is inexact. Everyday affairs, including their economic aspects, resonate with the task of a jury. This human capacity of comparing what is not comparable is indeed admirable. In Wiggins’ words,

[Individual agents] can deliberate, in the light of the good and the possible, about ends, about the constituents of ends, and about the means to ends. Somehow, despite the intractability und uncertainty of the subject matter of choice, agents do arrive at judgments about what is worthwhile or what can or cannot be done in pursuit of what. And somehow, from out of all this, they arrived at shared, partly inexplicit norms of reasonableness.

(Wiggins 2002: 373–4)

See also Taylor 1997: 175–82.

Fourth, we must clarify that we are not always making ‘extreme decisions’. Most of the time, alternatives are compatible: by allocating either in a timeframe or in specific situations we might be able to perform all the actions at stake. In other occasions, we decide rather automatically, just because we are used to doing things in a certain way. Still we do not need to think in terms of our plan of life all the time and privilege more down-toearth goals: as suggested in Wiggins’ example regarding an interesting holiday. However, a coherent person usually acts in a way in which, if analysed, the foreseeable consequences of his/her actions would finally contribute to his/her plan of life.

Fifth, the fact that a decision is inexact and that the hierarchy may change do not imply that the ends are completely substitutable. In the actual decision they may be: I can postpone dinner to help a friend finish her work. I can hold my breath and free dive into the sea to admire a beautiful coral reef. However, eating and breathing can cannot be endlessly adjourned. In his praise of friendship Aristotle notes that ‘when men are friends they have no need of justice’ (NE VIII, 1, 1155a 26). However, friendship without justice risks falling into favouritism: they are not completely replaceable. Then, ends are heterogeneous and cannot be always substituted for each other. They need a harmonization following the order in agreement with the criterion signalled by our practical reason. We need to be healthy, nourished and dressed, but before we can achieve a degree of satisfaction on these aspects we will surely try to incorporate other goals such as knowledge or friendship in certain ‘doses’.

Sixth, once the decision on ends is set, it is possible to express it in terms of a maximization procedure? Can we account for the decision calculating a constant or a varying ratio of substitution of the involved ends? Let Wiggins answer:

the incommensurabilist will not, of course, deny that after the event, some such ratio may be hit upon. That claim is nearly vacuous and the incommensurabilist will be foolish to deny the nearly vacuous […] It does not represent a falsifiable claim about the agent’s springs of action.

(Wiggins 2002: 371)

Why is it ‘clearly vacuous’, not falsifiable? Because this notion of maximization resembles a truism. Any action can be regarded a posteriori as a maximization. The scope of this notion of maximization is so broad that it would render it reasonable to point out that we can always find good reasons to perform any action. Nevertheless the latter does not entail pointing out that we are always ‘maximizers’, at least, generally speaking.13 Besides, this representation can be misleading, because it conceals the actual reasons behind the actions. It might be that some actions are motivated by maximization: this is obvious and has a vast field of application, i.e. the means–ends relations. However, this is not true for any action. Once ends are defined, these relations constitute a second phase. However, given the fact that ends may change during the means–ends matching process, we can claim that only rarely do we act instrumentally. As Wiggins relentlessly points out, utility theory is not a sketch but a caricature of human decisions and actions (2002: 390). If a change in the lexicon is accepted, i.e. translating maximization into ‘having a reason for’, we would be constructing an ex post theory, but not necessarily a guide for action as regards ends. In this sense, economic theory is, at best, a good theoretical representation of what has happened, as macroeconomist Daniel Heymann often stresses. Henry Richardson explains the problem in this way:

[P]reference-based utility is not a form of commensurability useful in making choices but rather a way of representing choices once made. Saving the action-guiding role of the formalistic model by supposing some finally complete articulation of reasons, of dimensions of value or goodness, and of discriminations therein, is like telling Seurat that in order to place all the figures in his masterly afternoon scene of the Grande Jatte, all he has to do is first determine where to put all the points of paint on the canvas. The solution may be logically coherent, but it is totally impracticable, and puts the cart before the horse. If our practical knowledge were perfect, we would already know what to do.

(Richardson 1997: 102)

Finally, given all these considerations, it is easy to answer this objection: ‘Incommensurability is only a philosophical theory and we are wasting time considering it. If we actually decide, how could it be that ends were incommensurable?’ Or, as James Griffin put it, ‘Incommensurability: what’s the problem?’ (1997). The answer is that although incommensurability and incomparability entail a theoretical problem for decision making, the problem is theoretical. We usually sort out this problem by using ‘practical comparability’. In these cases, quantitative calculi do not apply: they are only a rough indication or an a posteriori description. Practical comparison is not merely theoretical, as standard rational choice theory is. Besides, it does not entail irrationality either. It is a result of practical reasoning.

# LESSONS FOR ECONOMICS

It is now the turn to briefly concentrate on the implications for Economics of all the issues listed above. As stated at the beginning of the paper, this is programmatic: it aims to present and reflect on some problems. Thus, the following ‘lessons’ are not concrete or complete, but they are rather broad indications and suggestions. In the introduction of the paper I qualified these considerations as ‘embryonic’: they are only some general ideas about possible connections with Economics that should be further developed in subsequent research. I will distinguish two cases: first, what should current Economics take into account given the specificity of the rationality of ends; and second, what should economic analysis do if it aims to deal with ends.

## Implications for standard Economics

If economic analysis would have stayed circumscribed to the realm of means and it would not have dared to invade the realm of ends, the previously described difficulties would have been irrelevant. However, given that it recently has turned back to these deep and dark troubled waters navigated by its founders, the previous discussion is central to economic analysis.

Economics cannot analyse ends properly through its logic, which is based on commensuration. Hence, Economics should be circumscribed to the technical field, in which the allocation of means in order to achieve predefined ends is looked for. I suppose economists (I am one of them) are not going to take offence because of this remark. This means that Economics can legitimately work on specific areas (ends) defined by practical rationality (either individually or socially). We have concluded that maximization is not the appropriate instrument to harmonize different ends.

It is, however, the best way to allocate means. As noted by Anderson, maximization has a local role within practical reasoning (1993: 45). In addition, Wiggins complements,

what has been shown over and over again is only that in many different areas of social life it is theoretically fruitful to pick out large classes of actions which are aimed, whatever else may true of them, at this or that specified end.

(Wiggins 2002: 386)

There are fantastic examples of how much Economics contributes to diverse fields such as health and education, transportation and industries, regulations, privatizations, and integration, only to mention a few, provided that the practical constraints were also defined: for example, that basic education, or a number of medical interventions will be prioritized. Economics may also work with a set of ends which singular specifications could be appraised by cost–benefit analysis (Finnis 1997: 218–19).

However, the interplay between practical and instrumental rationality becomes more than necessary. This stems from a variety of aspects of these ends and the decisions about them which do not have strict economic value. All actions are performed by men and can affect men somehow. The impact is not only appraisable in terms of cost–benefit analysis and, thus, practical rationality must enter a game which continually engenders constraints. Let me sketch two brief examples on this. The first example: I am a member of the board of a University. We often discuss the appropriate allocation of ‘human resources’ for the University Hospital. If we had to ground this type of decision based on potential monetary returns, we should allocate fewer working hours of our medical doctors for teaching and research, and we should increase the number of surgery and assistance duties. A decision based on these criteria might be wrong, however. Teaching and research comprise ‘intangible’ values that cannot be assessed by their monetary returns: these values are essential to the concept of a University Hospital. This mistaken decision would surely affect University finances in an incalculable measure, since the value added by the academic mindset of its medical staff will linger in the long run. However, if we take a quota of time of academic duties as an external strategic decision that is given for the economist, we may then calculate the most efficient way of allocating medical doctors. The second example: deciding macroeconomically on whether to assign budget to the so-called First Generation Reforms or to Second Generation ones which cannot be appraised only through monetary returns because, for instance, these reforms in justice and education are difficult to be assessed in economic terms and may thus be unfairly delayed. This is a political decision that, once taken, becomes a given for the economist who will then locally apply cost–benefit analysis.

Again, as asserted, there are occasions in which the relevant criteria to decide on ends are only strictly economic: this is the appropriate field of Economics. But as soon as the matter losses this specificity, economic calculation becomes more complicated because of the attempt to express non-economic values in economic terms. This is often arbitrary and, besides, it is practically impossible if we take into account all the relevant variables. That said, Economics becomes abstract when considering only a few constraints. On these occasions Economics becomes a theoretical i.e. an often distorted representation, as explained in the previous section.

At this point, one may wonder how could it be that Economics often works (not only describes and explains, but also rightly prescribes and predicts). The problem involved is how to fill the gap between individual, contingent, free human actions and scientific generalizations about these actions. I can offer a brief elaboration on how to do it. Men develop habits. Habits are necessary because we cannot constantly deliberate and decide on every matter in front of our eyes, i.e. this would be psychologically unbearable. Generalizations in practical (called ‘social’ these days) sciences are possible thanks to a tendency on actions to be repeated (habits). Time and freedom introduce contingency. But tendencies introduce constancy and thus, mitigate contingency. As MacIntyre explains, predictability in the social sciences is – though only imperfectly – possible. This happens, first, thanks to statistical regularities and a necessity to schedule and coordinate social action. Second, this is also thanks to an awareness of the causal regularities of both, nature and social life (MacIntyre 1984: 102–3). Institutions both embody and reinforce recurrent habits. This is the reason why they are so much relevant to Economics. Keynes’s thought is admirably balanced on this point. He states: ‘Although nature has her habits, due to the recurrence of causes, they are general, not invariable. Yet empirical calculation, although it is inexact, may be adequate in affairs of practice’ (Keynes 1973: 402).

People’s usual habits enable a number of economic representations to accurately explain and predict the corresponding facts. Concerning prescription, proved theories which accurately calculate, will prescribe effectively from a cost–benefit point of view. They will also accurately calculate from any other point of view if they are immersed in practical considerations about the second-order ends involved. We should however continuously remember that this field is inexact and that the only way to increase accuracy is through practical rationality, which is tightly coupled to reality. We must not forget, as Keynes has also remarked, that ‘probability begins and ends with probability’ (1973: 356). When we pass from large numbers to the individual conduct we are changing the level of analysis: general conclusions do not necessarily apply to actual situations. ‘This is due to the fact’, as Keynes affirms, ‘that a statistical induction is not really about the particular instance at all, but has its subject, about which it generalises, a series’ (1973: 450).14 In the same vein, Rawls (1971: 558) points out that the utility function may characterize individual choice but this could never be a first-person procedure of choice.

Briefly summing up, Economics either has to concentrate on specific areas or it has to interact with practical reasoning, as I propose in the paragraph to come.

## Economic analysis and ends

If economic analysis – as in CA and happiness theories – decides to deal with ends, it will have to adopt practical rationality in this task as well as technical rationality, once the decisions on ends had been made. This decision – dealing with ends – can be regarded as legitimate. It should however be taken into account that by this decision, economic analysis is penetrating into other academic fields as ethics and politics. However, despite this consideration the decision can be seen as realistic. I have stated that the distinction between Economics (the science) – which involves only technical rationality – and economic decisions – which involves both rationalities – is analytically possible. But I have also stated that in fact the step separating science from practice is actually extremely short. Even though men often act for instrumental reasons, these actions are also practical. This is the reason why modern Economics becomes affected if it does not interact with practical rationality (cf. Stewart 1995: 63). Hirschman is an apostle of this cause. After deeply regretting the concentration on instrumental rationality in Economics, he pleaded for a concern on the other kind of rationality because it matters to Economics and helps to understand economic topics (Hirschman 1985: 19).15

This need has also been recognized from a position closer to Economics. John Broome (1993) sustains that a ‘moderate Humean’ person wants to ordinate preferences in a rational way by setting consistency constraints, as formal economic rationality does. ‘But still wants the ultimate basis of preferences to be unsconstrained by rationality’ (Broome 1993: 52). However, Broome argues and concludes that the attempt to order hierarchically ends by imposing only formal constraints is not possible. The moderate Humean agent needs to assess goodness, i.e. a substantive rational evaluation, to successfully ordinate preferences by priority (cf. Broome 1993: 66–9).16

# CONCLUSION

I did not intend to suggest concrete proposals for Economics. In this paper, as previously noted, I have only proposed a general framework to promote the emergence of further concrete suggestions.

As historians of economic thought very well know, classical economists conceived political economy as part of practical science (moral, political). Adam Smith considered it ‘as a branch of the science of a statesman or legislator’ (Wealth of Nations, IV, Introduction, 1). Political economy used to be a moral science. Then, attracted by the exactness of positivist science, it became unfaithful and abandoned practical science thus becoming Economics. Unfortunately, this often occurs in marriage. Sometimes, however, the unfaithful spouse regrets his/her ephemeral adventure, and tries to come back to his/her first love. Unfortunately most of the time it is too late. Sometimes, however, there is a chance for reconciliation because the other person forgives him/her. I do not intend to retell the Hollywood ending of a love story. I would only like to stress that, given the difficulties produced by the divorce between technical and practical rationality, the only way to overcome this split entails fostering the conditions for a possible reconciliation. But this reconciliation will be useful if it is not chauvinist: i.e. if it does not entail overshadowing practical rationality behind the instrumental one.17 Merging distorts the instrumental behaviour, the noninstrumental one, or both (Stewart 1985: 66). Economic analysis must not only refrain from its temptation to replace practical rationality with the instrumental one. Provided that economic analysis manages to integrate ends it needs to adopt and prioritize practical rationality because it is the ends rationality. Economics, even if does not adopt it, because it promises to keep its present shape, should at least pay more attention to it. Resembling most well-constituted couples, although subtly, she is the one in command.

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# NOTES

1. In this paper the term ‘Economics’ will refer to this standard notion and the expression ‘economic analysis’ will be used when speaking about the possibility of considering ends.
2. For a comparative appraisal of both approaches, see Flavio Comim (2005).
3. This is because rationality is not only a descriptive or explanatory concept, but also normative. As Rolf Mantel used to say, economic theory is normative because it is rational. See Hausman and McPherson (1996: 7, 29, 38ff).
4. I adopt the Aristotelian version of practical rationality. A ‘local discussion’ would be to compare this conception with other conceptions of practical rationality (see Millgram 2001) and with the logic of pragmatism and pragmaticism.
5. Scott MacDonald (1991: 51) calls them purely instrumental ends, weak ultimate ends and strong ultimate ends respectively. Henry Richardson speaks about final (1997: 195) or intermediate final ends (1997: 52) and ultimate ends (corresponding to second and third order respectively; Richardson 1997: 195).
6. For Aristotle, although a concrete person may change his actual hierarchy of ends, there are some ends that are fixed. This consideration especially applies for the ultimate end. For him, happiness is not a ‘conative’ concept but a normative one (see Irwin 1988: 362ff.). There is a specific way for human beings to be happy. Aristotle recognizes that, for example, the akratic person may postpone this end and look for another: but, he is behaving wrongly. He also considers that some people may have adopted other conceptions of happiness which are not in accordance with human natural function.
7. At present there is a huge debate on incommensurability. The main contributors to this debate are James Griffin, David Wiggins, John Broome, Elizabeth Anderson, Joseph Raz, Elijah Millgram, Charles Taylor, Steven Lukes, Michael Stocker, Martha Nussbaum, Henry Richardson, Mark Murphy, Mozaffar Qizilbash and John Finnis, among others. A ‘local discussion’ would be to situate Aristotle’s ideas within this debate.
8. NE V, 5, 1133b 1–3. By these statements Aristotle seems to be the first author simultaneously proposing the revealed preference theory and raising doubts about it.
9. My thanks go to Alejandro Vigo for this example.
10. It may be that Keynes considers this situation when he speaks about probabilities that ‘do not belong to single set of magnitudes measurable in terms of a common unit’ (1973: 33). In these cases, ‘a degree of probability is not composed of some homogeneous material, and is not apparently divisible into parts of like character with one another’ (1973: 32).
11. On the multivocal character of the good, see Irwin (1981: 539–40).
12. This example was originated on a suggestion Henry Richardson made. It highlights Aristotle’s idea of filling in (anagrapsai) the sketch (perigraphon) of the human good (NE I 7, 1098a 20–1).
13. The use of the word ‘maximization’ as rationality and of the word ‘interest’ as intentionality are fallacies of ambiguity (see Copi and Cohen 1998: 6.4) often unconsciously committed. It involves the confusion and conflation of levels.
14. A right articulation between generality and individuality in Probability and Statistics is at the heart of the legitimacy of Economics. This is an important ‘local discussion’. Cf. also Keynes (1973: 362, 368, 402, 428, 445, 461 and 463).
15. This reminds me about Lionel Robbins’s mature teachings on the scope of economic analysis: ‘We must be prepared to study not merely economic principles and applied Economics … We must study political philosophy. We must study public administration. We must study law. We must study history which, if it gives rules for action, so much enlarges our conception of possibilities. I would say, too, that we must also study the masterpieces of imaginative literature’ (1956: 17).
16. My thanks go to Elizabeth Anderson for her suggestion of Broome’s 1993 paper. See also Broome (1995: 19, 20, 104–6).
17. This is the attempt of Gary Becker and followers. I would call their project a chauvinist project. Or to put it differently it is like trying to replace the natural movements of a normal person by movements mediated by orthopaedic devices. Using one expression of John Davis (2006: 14) Economics should refrain from trying to ‘domesticate’ practical rationality.

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