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Jean-Paul Fitoussi's "Newspeak and Economic Theory: How We Are Being Talked To": A Comment

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In the previous issue of this journal, Jean-Paul Fitoussi (JPF) argues that the impoverishment of language impoverishes thought and, in turn, democratic debate (Fitoussi 2022). He describes how a new vocabulary has canceled Keynesianism and left only neoclassical economic theory in its place. This comment makes two brief points in support of JPF's thesis: First, a hundred years ago, many worried about modes of thought that were slipping away, as abstractions like rational choice overtook the kind of knowledge that resists quantification. That debate has receded into the past. Second, although behavioral economics and positive psychology appear to offer an alternative to rational choice as the singular way to understand our actions, they actually tighten its grip.

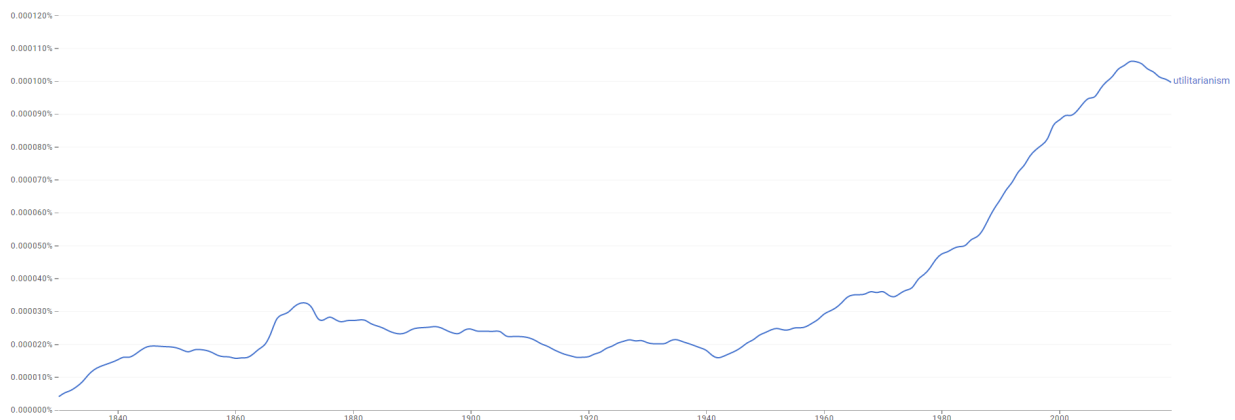
The Single Thought

To summarize JPF's article, economic theory and hence public policy have converged on a "single thought": agents rationally maximize their preferences where markets are in equilibrium. Terms at home in a Keynesian model—full employment, aggregate demand, fiscal stimulus, industrial policy, and public investment—have been "erased from the dictionary." Words that describe social classes are obsolete. The language that is left allows us to express a single explanation for unemployment: wages are too high. One solution is inflation that lowers real wages before workers can respond. Another is structural reforms that allow wages and benefits to fall.

If we interpret unemployment solely through the lens of neoclassical economics, we fail to see the urgency of reducing it. In the neoclassical view, unemployed workers are investing in job search or enjoying leisure (household production) that they value more highly than the consumption that could be obtained from their market wage. If we want to help them, subsidies may be more efficient than policies that create jobs. There is, of course, truth in this line of reasoning, but it ignores the meaning that people derive from work—overcoming authentic obstacles, exercising their skills, socializing with coworkers, pulling their weight in society, or providing for their family. Neoclassical economics does not have a convincing way to say that many people need a job to lead a satisfying life.

Another victory for the single thought is the mainstream acceptance of utilitarianism. Rational choice relates closely to the idea that people can quantify the strength of each desire on a common scale within their own lives. Utilitarianism extends the metric to our dealings with other people.

Figure 1. Usage Frequency of “Utilitarianism”



Source: Google Ngram.

An optimizing agent gives to charity until the marginal benefit they derive from helping others (perhaps including animals) equals the marginal cost of reducing their consumption. This reduces benevolence to a calculation. It implies, for example, that the biblical Good Samaritan has probably made a mistake by lavishing so much attention on one random traveler in distress. It's better to help others up to the point where the marginal benefit per unit of effort is equalized (Robb 2019, 129–30, 197–98). In this worldview, the well-being of others taken as a whole is an argument in the utility function traded off for personal consumption, leisure, and whatever else a person cares about.

A Hundred Years Ago, Intellectuals Worried a Lot about the Spread of Mathematics

Abstraction was winning: calculation over judgment, the universal over the particular—above all, knowledge that could be quantified over knowledge that could not be quantified. In economics, this meant rational choice. It would be surprising if a shift of this magnitude did not have consequences for our inner lives. As Keynes warned, “This pseudo-rational view of human nature led to a thinness, a superficiality, not only of judgment, but also of feeling” (1995, 96). Was the genius Keynes the only one who noticed?

In fact, in their new book, *Uncountable: A Philosophical History of Number and Humanity from Antiquity to the Present*, David Nirenberg and Ricardo Nirenberg (2021) document that concerns like Keynes's were widespread in his time. In the first half of the twentieth century, a debate raged over the “tyranny of reason.” It was “an age convinced that its most important problems were caused by how its thinkers thought about knowledge” (26). The celebrity historian and philosopher Oswald Spengler cautioned in 1918 that “formulas and laws spread rigidity over the face of nature, numbers make dead” (quoted on 25). When the physicist Fritz Adler assassinated Austria's prime minister in 1916, his lawyers argued that their client suffered from “an excess of the mathematical” (quoted on 30). They met with some success, as two years later Adler was freed. Today, this debate is obscure to us, as “it takes a specialized historian to make any sense of this language” (25). Read Nirenberg and Nirenberg for the fascinating account of how numerical analysis became the foundation for human claims to truth.

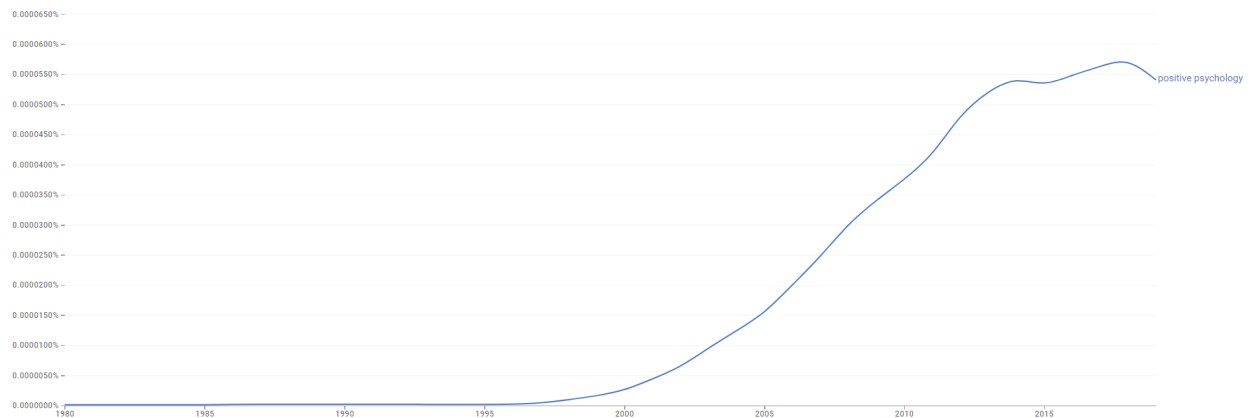
Behavioral Economics Gives Us the False Impression of an Alternative to Rational Choice; Medicalizing Departures from the Rational Solidifies the Single Thought

I used to teach a graduate seminar at Columbia's School of International and Public Affairs called Foundations of Individual Choice. I asked the incoming students, "What interested you in taking this class?" One after another they'd say, "I don't see myself as a fully rational creature, so I want to know more about behavioral economics." For those who are uncomfortable with an image of themselves as *Homo economicus*, is that really all we have to offer?

Behavioral economics may seem like an alternative to rational choice theory, but both assume that all action is purposeful: we compare and rank possible outcomes, consider the trade-offs, and seek to optimize in light of our resources. When we fall prey to biases like overconfidence, hyperbolic discounting, framing, and so on, we are trying to maximize our preferences yet missing the mark. As the theory goes, cognitive biases may have served as useful heuristics for early humans but hinder modern ones. Behavioral economics even offers the promise that we might tame our biases through study and become more effective.¹

We could make a similar point about positive psychology, which has experienced a bull market since the turn of this century. It is another tool in the purposeful tool kit. In our efforts to optimize, we make mistakes not necessarily because of ingrained biases but because of a lack of self-knowledge. Having conducted surveys or brain studies and assumed people are homogeneous, positive psychologists advise us to spend more time with friends, find shorter commutes to work, and worry less about making money after reaching the upper middle class. Done in this way, happiness research effectively generates a collection of self-help tips (Robb 2019, 25–26, 201–2).

Figure 2. Usage Frequency of "Positive Psychology"



Source: Google Ngram.

¹ In *Willful: How We Choose What We Do* (2019), I propose that there is a second realm of action alongside the purposeful: action *for itself*. The purposeful choice model can explain many things but not everything. Certain actions are undertaken not for any tangible benefit but for their own sake. They cannot be ranked against, or traded for, other actions. This second realm of behavior is neither rational nor irrational but for itself.

Those students are left with two alternatives to the *Homo economicus*, both of which assume human action is essentially purposeful. They can accept that we are preference-maximizing robots who are badly programmed (behavioral economics) or whose objectives need to be fine-tuned (positive psychology). A single thought—that all action is purposeful—cancels the possibility that we might sometimes act spontaneously. As JPF wrote, “Not one of the great economists ever thought that the whole of human behavior was rational. They knew better. There are decisions for which decision theory fails” (pers. comm., February 26, 2021). He was referring, of course, not to the catalog of behavioral biases, but action that is truly free.

The Monistic Vision

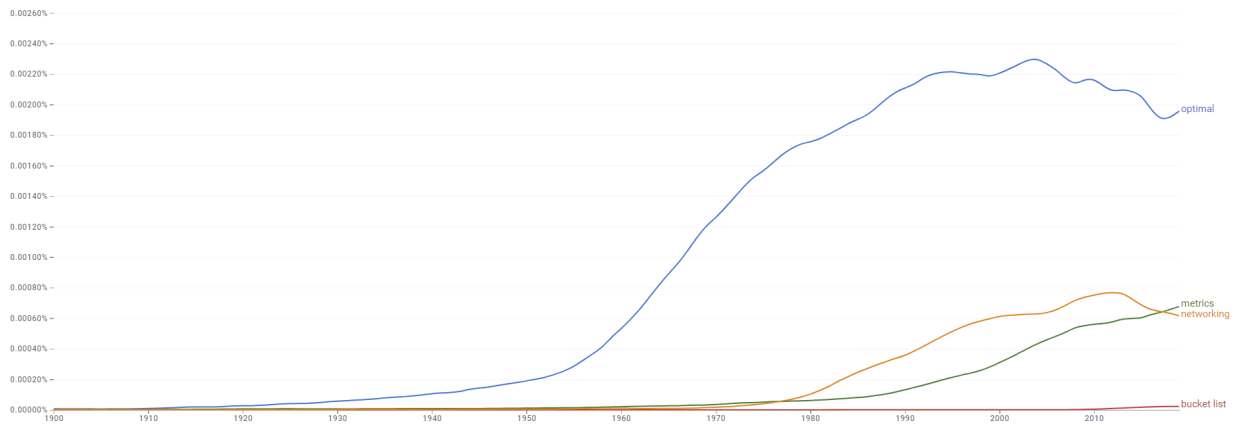
The philosopher David Sidorsky (2013, 3) observes that a single, unified, “monistic” vision of the world carries hidden dangers:

It appears that the cleverness of the devil includes his ability to recognize the moral values and the idealistic aspirations of human beings, who have the capacity and inclination to generate the fusion of these values and aspirations into a single monistic vision and blueprint. Thus, in the satanic strategy of projecting a seductive illusion before mankind the devil exploits not man’s penchant for evil but his drive for perfection.

Purposeful choice is the monistic vision of our time. What people want can be expressed in a word: more. *More* is one dimensional because in this vision everything is commensurable, everything can be compared and traded at a price. Whether or not we require a bit of help to understand our own desires (positive psychology, happiness research) or make mistakes in satisfying them (behavioral economics), the monistic ideal remains intact: we can trade off one thing for another and we do our best to maximize.

If Sidorsky is correct, then erasing words from the dictionary may be among the devil’s most effective weapons in his project of moral corruption. The devil has given us new vocabulary to replace some of what he has taken away, strengthening the monistic vision that squeezes all life into a single dimension: “to network” (making human encounters instrumental, without apology or even sheepishness), “bucket list” (reducing experience to mental box ticking), “giving back” (so that prosocial activity becomes just another kind of consumption), “metrics” (for scholars: impact factor, h-index), ubiquitous rankings of cultural output (*Rolling Stone* ranks the top 100 greatest guitarists of all time, but I can find no evidence of seventeenth-century music critics ranking lute players), and the contemporary version of utilitarianism, “effective altruism.”

Figure 3. Usage Frequency of Words Grounded in Optimization



Source: Google Ngram.

JPF died a few days before the final text of "Newspeak and Economic Theory" was published. His article leaves us the genesis of an important program that combines psychology, linguistics, history, and economics. Freed from the straitjacket of the single thought, democratic debate will be richer. We will be more at ease with the twofold character of our own actions—sometimes purposeful and optimizing, sometimes spontaneous, self-justifying, and for itself. Such programs have been neglected for reasons that are self-evident: to use one of JPF's favorite metaphors, these messy truths lie far from the lamppost where the light is conveniently shining (Fitoussi 2013).

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