

HUMAN GOODS, ECONOMIC EVILS: A MORAL APPROACH TO THE DISMAL SCIENCE, by Edward Hadas, ISI Books, 2007. ISBN: 193-38-592-6134-2; 400 pages.

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It is refreshing, occasionally, to read something that carries one back from economics through political economy to moral philosophy, back to the roots of our discipline. The title of this fascinating, but also frustrating (and ultimately frightening), book might equally have been titled *Human Economics, Goods and Evils*. Edward Hadas wants to found a School of Human Economics, but the total colonization of “conventional economics” (both mainstream *and* heterodox) with his new meme is the ultimate aim: a tall order.

The author’s project is based on a strange brew of philosophy, anthropology, sociology, and psychology, but also on Catholic Social Doctrine – embraced due to dissatisfaction with his upbringing among left-wing secular Jewish intellectuals. Part of the fascination is seeing the Roman Catholic theological doctrine of original sin brought into economic discourse. Part of the frustration is encountering a whole new jargon, e.g. goods become “stuff” and a large slab of the service economy is renamed “the caring economy”.

Although this book is mainly about modern, free market, “industrial” economies, its author seeks a deeper, philosophical unity that covers “... not only all contemporary economies but all economies in the past (and in the future, to the extent they can be imagined) – hunter-gatherer, agricultural, industrial, and postindustrial”: another tall order. Nowadays a financial analyst with Breakingviews.com, Hadas attempts to build his unity on two firm beliefs: that human nature never changes and that its main characteristic is a profound soul-desire and mind-demand for “The Good”. A fatal flaw in human nature is said to be moral weakness (original sin), which prevents people from achieving The Good, or even recognizing what it is; hence the “Evils” in the book’s title.

That singular noun, “The Good”, actually covers a whole multitude of goods, some Transcendental and others (way less significant) Economic. The author’s “Transcendental Good” comprises worship, sacrifice, redemption, meaning of life, mystery of death, eternal life, spirituality, wisdom, nobility, service, piety, faith, truth, beauty, unity, love, honor, hope, charity, creativity, aesthetics, law, social order, politics, trust, generosity, service, cooperation, community, traditions, marriage, happiness, evenings at home, Sabbath rest, family unity, motherhood, etc. In like manner, his “Economic Good” can be broken down into endless categories, and is. This is another of the frustrations awaiting the reader: basically, Hadas has compiled a Book of Lists. It contains typologies of labor and consumption, categories of economic goods and economic evils (in the economy and in the world), eight aspects of human nature (according to Roman Catholic tradition), “Four Worthy Philosophies about Consumption”, numerous “Imperfect Ideas about the Economic Good”, and so on.

Here one discerns the reason for earlier frustrations. Stuff replaces goods to prevent confusion with transcendental and economic Goods. It's a caring not a service economy to avoid conflation with a transcendental Good called "service".

One's earlier fascination remains, however. Perhaps the new jargon and exhaustive lists represent a thorough cleaning of the Augean stables, as necessary preparation for some stunning new economic theory? Hadas says "The whole goal of this book is to present a model of economic activity that can reasonably claim to be universal, which includes being (in theory) universally acceptable". Helpfully, he lists the "five-part method" of his new School of Human Economics:

1. *Identify the subject matter.* His principal categories are labor ("jobs") and consumption ("shopping"), with production, social arrangements, allocation, and interactions with the physical world being "secondary concerns".
2. *Identify the goods.* He means the Goods, both Transcendental and Economic, together with their associated Evils.
3. *Describe the economy under study.* He suggests identifying its economic structures and economic-noneconomic linkages, using his lists provided under the categories and concerns listed at step 1.
4. *Evaluate the economy under study.* He says "Economists can and should make value judgements", using the goods and evils listed at step 2, e.g. "The main weaknesses can be identified – this evil is allowed to flourish, that good is thwarted."
5. *Suggest improvements.* He wants "changes in practices, attitudes, or policies" and mentions "an improved hierarchy of economic goods; new practical goals that approximate those goods more closely; new arrangements of economic tokens, such as money and taxes ... even detailed rearrangements of economic units such as factories and companies".

Fascinating? Yes, but can this new method be used (say) to advise policy-makers on how to avoid a global economic meltdown caused by the US sub-prime mortgage crisis? No. Edward Hadas has an interesting, idiosyncratic take on economics, but provides no make or model of an analytical engine. Furthermore, despite all his care in preventing semantic confusions, he has been careless in conflating "catholic" with "universal". Actually, the two *are* synonymous, but what the author's means by the term "catholic" is Roman Catholic. That's one very large Christian denomination, but hardly universal.

It is fascinating that Hadas has managed to sculpt a philosophy he admits is inchoate (Catholic Social Doctrine) into a complete system for thinking about economics. But it is frightening that he interprets his system as something that is, in theory, "universally acceptable". He wants to make seven billion people good by reshaping their societies and economies to encourage them to pursue his Goods and eschew his Evils. What happens if they don't want to? What policies will be adopted? We know the chilling answer because it's all been tried before, and not only in Roman Catholic countries like the Spains of Ferdinand and Isabella, Torquemada and Franco. One can't make economies, or the populations they provision, good according to one's personal beliefs. Potentially every culture, ideology, religion, sect, family, even individual, has their own Book of Lists, written or unwritten.