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THE LOSS OF REALITY. TOWARDS ECONOMICS AS A MORAL SCIENCE

The aim of the present article is to analyse a constitutive trait of modern economic science in the light of Rosmini's Principles of Moral Science. The meant trait is described with the formula «loss of reality» and is assumed to reveal structural criticalities of modern economic science which affects its relation to reality and thus implies the risk to compromise its research findings. The analysis is based on Rosmini's understanding of the moral good, which, unlike other goods, extends to all human actions and is in all of them the same.

The aim of the present article is to consider a constitutive trait of modern economic science in light of Antonio Rosmini's *Principles of Moral Science*.¹

¹ In addition to some pioneering studies on Rosmini's economic thought (cf. G.B. ZOPPI, *Antonio Rosmini e l'Economia politica*, in *Per Antonio Rosmini nel primo centenario della sua nascita*, vol. I, L.F. Cogliati, Milano 1897, pp. 407-450. P. PIOVANI, *La teodicea sociale di Rosmini*, Cedam, Padova 1957), there are two main points of reference which informed the present article: The first are those topics discussed in the context of the 2012 conference *Rosmini e l'economia*. The conference was organised by the Centro di studi e ricerche 'Antonio Rosmini' at the University of Trento. The conference proceedings reflect two particularly relevant research perspectives: one addresses the genesis of Rosmini's economic thought from a historical perspective; the other reveals the metaphysical context of Rosmini's economic studies from a systematic perspective (cf. F. GHIA - P. MARANGON (eds.), *Rosmini e l'economia*, Collana Studi e Ricerche, n. 7, Temi, Trento 2015, pp. 7-14). The second point of reference are studies that analyse economic phenomena against the backdrop of Rosmini's philosophical approach. These studies avail themselves of the diagnostic power of Rosmini's writings in order to analyse the techno-economic structure of the modern understanding of reality (cf. C. HOEVEL, *The Economy of Recognition. Person, Market and Society in Antonio Rosmini*,

Tentatively, this trait will be described with the formula «loss of reality». It is assumed to reveal a structural criticality of modern economic science, which affects its relation to those phenomena that are called into question by it and thus implies a risk of compromising its research findings. The present article proceeds under the assumption that this «loss of reality» is not a mere epistemological deficiency resulting from a kind of incompetence, but is instead constitutive of the way in which modern economic science pursues truth.

In light of Rosmini's *Principles of Moral Science*, this trait becomes discernible to the extent that it allows for an analysis of its constitutive character and implications.

I. ANECDOTAL EVIDENCE OF STRUCTURAL CRITICALITIES

In June 2009, in the midst of the last global economic crisis, the *British Academy* convened a forum in order to discuss a question proposed by Queen Elisabeth II months earlier, in November 2008, during her visit to the *London School of Economics*.² The Queen had expressed surprise that none of the eminent economists present on that occasion had foreseen the impending economic crisis and had warned of it in good time. The Queen's question touched a sore spot. At least since the global economic crisis of 2008/2009, «economic science has been challenged not only with regard to its capacity for anticipating contingent economic events and responding to them efficiently, but in its very manner of grasping, and consequently acting upon, economic phenomena in the first place. In the most general terms, classic economic theory is said to suffer from a reductive approach to reality»³. Accordingly, the answer to the Queen's question, formulated in a letter by Tim Basely and Peter Hennessy on behalf of the *British Academy*, came to the conclusion that:

the failure to foresee the timing, extent and severity of the crisis and to head it off, while it has many causes, was principally a failure of the collective imagination of many bright people, both in this country and internationally, to understand the risks to the system as a whole.⁴

Springer, Dordrecht [et al.] 2013; S. MUSCOLINO, *Persona e mercato. I liberalismi di Rosmini e Hayek a confronto*, Rubbettino, Soveria Mannelli 2010).

² The British Academy Forum, to which we are referring, took place on June 17th, 2009, under the title: *The Global Financial Crisis – Why did nobody notice?*

³ Project description for the research proposal *Mining Economic Knowledge from Non-Economic Sources* (project coordinator: Ivo De Gennaro). Proposal accepted for funding by The Free University of Bozen-Bolzano in 2014.

⁴ *Letter to the Queen*, accessed 7.2.2022, <<http://www.geoffreymhodgson.uk/letter-to-the-queen>>.

Without analysing the letter in detail, the justification given in this passage can serve as an example both of how the aforementioned «loss of reality» takes place, and how it is referenced in the context of economic discourse.

To begin with the latter, the answer to the Queen's question reveals an issue of awareness that is not at all obvious. On the contrary, it is rather symptomatic of the way in which the crisis is viewed in light of modern economic science. The fact that none of the «many bright people» foresaw «the timing, extent and severity» of an impending crisis of global proportions is related to a «failure of the collective imagination». In other words, it is related to the personal ability to imagine the future and, based on this vision, to establish a sufficient expertise in order to anticipate and possibly mitigate or even prevent the crisis. Consequently, the «failure» appears as a human error which originates from a personal deficiency, but it is by no means related to a structural criticality inherent in the way modern economic science pursues truth and thus constructs its relationship with reality.

The capacity to imagine the future is essential to economic theory building. In the context of modern economic science, this capacity is informed by a fundamental distinction that implies a structural criticality. In fact, in the context of modern economic science, the future is usually represented through the adoption of a distinction between a «future present»—that is, the future in the sense of the given reality of a future moment, a reality about which we still know nothing—and a «present future»—or the future in the sense of a representation that, in the present, anticipates future time.⁵ Together with this distinction, structural criticalities surface. On the one hand, it is anything but clear whether and, if so, how we can imagine a «future present», which we assume as a given reality, but of which we have no knowledge at all. On the other hand, it is just as unclear under which conditions we should imagine the future, if the claim to gain certainty about the future reality leads the way. It is this claim to certainty which characterises the way in which modern sciences pursue truth and thus determine expertise in their sector.⁶ And it is precisely this claim to certainty that leads us to anticipate the future in terms of a «present future».

The answer to the Queen's question reflects this circumstance in addressing the future as

⁵ A more in-depth analysis of this distinction can be found in: E. ESPOSITO, *The Future of the Futures. The Time of Money in Financing and Society*, Edward Elgar, Cheltenham/Northampton 2011.

⁶ In fact, the claim to certainty is the reason on which basis modern science is built and on which the modern experience of truth rests. In other words, throughout modernity the notion of «certainty» became the yardstick for what is accepted as truth. Accordingly, it can be sustained that «the modern notion of truth is truth as correctness, but not simply in the sense that the mind is correctly directed towards a given being. Rather, this correctness in the first place constitutes the givenness of beings as a certain givenness (viz. givenness in certainty), and thus beings themselves as certain beings. For this reason, it is not sufficient to say that the transformed notion of truth is truth as correctness. Rather, the modern notion of truth is truth as certainty (Gewissheit; certezza)». (I. DE GENNARO, *Principles of Philosophy. A Phenomenological approach*, Karl Alber Verlag, Freiburg/München 2019, p. 234.)

a «risk» whose «timing, extent and severity» was misunderstood. Inasmuch as the future appears as a phenomenon that involves risk, it is essentially related to the persistence of uncertainty. In light of the aforementioned claim of certainty—which characterises modern sciences in general and modern economic science in particular—the conceptualisation of the future is particularly delicate. Both risk and uncertainty, in their essential reference to the future, are configured as motives for investment, transactions and credit. Thus, in the context of modern economic science, the future is conceived through probability calculations cited by order of preference, thanks to which one would anticipate future events. However, we must be clear about the following circumstance: by translating the uncertainty of a «present future» into the certainty of a «future present», these calculations mask the future risks associated with economic decisions, and, consequently, the essence of the future itself. In this way, they create a narrative that is stated in terms of purely fictitious certainties, and thus, in the final analysis, they create a fictitious future, which ends in a set of computable scenarios.⁷ In other words, replacing the uncertainty of the present future with the certainty of a calculable future present amounts to the abolition of the future itself.⁸ The ignorance of this circumstance is neither the mere «failure» of collective imagination nor the «failure» of individual thought. It is a structural criticality constitutive of the way in which modern economic science approaches its phenomena and considers their truth.

The phenomenon of the future and its conceptualisation in the context of modern economic science is just one example of structural criticalities constitutive of modern economic science. In fact, the evidence that comes from this exemplary anecdote is the following: the way in which modern economic science relates to the future affects both its approach to «reality» and the way it acts upon «reality». All in all, the relation to the future which is constitutive of modern economic science implies a possible «loss of reality» whose symptoms are mentioned in the answer to the Queen's question. On the other hand, the reason on the ground of which this «loss of reality» takes place is not at all obvious. Rosmini's *Principles of Moral Science* provides a viable path towards the analysis of this reason.

⁷ Cf. J. MORGAN, *Forecasting, prediction and precision. A commentary*, in «Economic Thought», 1/2012, pp.55-64. J.D.O. GEIPEL, *Fiktionen und Märkte. Entscheidungen unter Unsicherheit am Beispiel von strategischen M&Aprozessen*, in B. PRIDDAT (ed.), *Bewegungen in Unsicherheit / Unsicherheit in Bewegungen*, Metropolis, Marburg 2015, pp. 9-116. B. PRIDDAT, *Entscheidung als zeitliche Setzung*, in I DE GENNARO, S. KAZMIESKI, R. LÜFTER (ed.), *Ökonomie und Zukunft*, bu.press, Bolzano 2015, pp. 57-76. E. ESPOSITO, *Die Konstruktion der Unberechenbarkeit*, in A. AVANESSIAN, S. MALIK (ed.), *Der Zeitkomplex. Postcontemporary*, Merve, Berlin 2016, pp. 37-42.

⁸ Cf. R. LÜFTER, *Etica e futuro tecno-economico*, in L. ALICI, F. MIANO (ed.), *L'etica nel futuro*, Orthotes, Napoli-Salerno 2020, pp. 348-349.

II. ROSMINI'S PRINCIPLES OF MORAL SCIENCE

The *Principles of Moral Science* were first published in 1831. Six years later, in 1837, Rosmini republished them together with the *Comparative and Critical History of Systems Dealing with the Principle of Morality*.⁹ In these years, as Carlo Hoevel notes, Rosmini «partially [...] abandons his political and economic writings to lay the philosophical bases of his thought»¹⁰. Rosmini witnesses the increasing dominance of economics in nearly all spheres of human practice and reflects on the philosophical sources by means of which it is informed.¹¹ In fact, as Hoevel continues, «this reflexive period will let him sharpen his view and consider economic issues in a depth and from a perspective he had not acquired before»¹². A leading motive for this realignment is the «idea of being», which between 1828 and 1830 became a focus of Rosmini's studies. The most significant volume in terms of the «idea of being» is Rosmini's *New Essay Concerning the Origin of Ideas*, published in 1830. However, the «idea of being» also appears in the *Principles of Moral Science*, where it founds and defines the scope of human practice. Rosmini's work on the «idea of being» opens up new perspectives on economics as well as on related social and political phenomena. It is therefore only consistent that the *Principles of Moral Science* themselves contain «key principles of the Rosminian economics such as the distinction between morality and eudaimonology, the relation of utility and happiness, the criticism and solution to the problem surrounding the role of self-interest in ethics, and the connection between moral good and economic growth»¹³. Herewith, Rosmini prepared the bases for an analysis of structural criticalities constitutive of those forms of economic science which became increasingly dominant throughout modernity.

⁹ Cf. U. MURATORE, *Introduzione*, in A. ROSMINI, *Principi della scienza morale*, Opere di Antonio Rosmini, vol. 23, Città Nuova, Roma 1990, p. 11.

¹⁰ HOEVEL, *The Economy of Recognition*, cit., p. 16.

¹¹ However, the increasing dominance of economic science is just one symptom of transformative processes. Michele Nicoletti argues that Rosmini's interest in the subject of economics is not least a sign for an epochal turn that is about to take place in the 19th century (M. NICOLETTI, *La questione del lavoro negli scritti di Antonio Rosmini*, in GHIA - MARANGON (eds.), *Rosmini e l'economia*, cit., p. 205). Christiane Liermann takes a similar line when she claims that Rosmini's economic thought can be seen as the response to an almost epochal process of modernisation (C. LIERMANN, *Concorrenza e mercato nella filosofia politica di Antonio Rosmini*, in GHIA - MARANGON (eds.), *Rosmini e l'economia*, cit., p. 173). Carlos Hoevel, for his part, claims that Rosmini «builds a general interpretation of modernity and particularly of economics» (HOEVEL, *The Economy of Recognition*, cit., p. 9).

¹² HOEVEL, *The Economy of Recognition*, cit., p. 16.

¹³ Ivi, p. 17.

III. MORAL AND ECONOMIC SCIENCE

A first step in the analysis can be taken by questioning the relation between moral and economic science which, throughout modernity, underwent a transformative process. In fact, the increasing dominance of economics, as witnessed by Rosmini, is a sign of this process whose transformative force affects all fields of human practice and eventually imperils the autonomy of moral science itself.

As Rosmini asserts in the *Preface to the Works of Moral Philosophy*¹⁴, the scope of moral science is different from the scope of economic science, and the two should not be confused with one another:¹⁵ «Moral science is not only a theory of practice, but also, as far as we are concerned, an orienting towards practice».¹⁶

Even if there are other sciences and arts which are «orienting towards practice» and thus guiding human actions¹⁷, moral science has a different dignity in the architecture of Rosmini's philosophy. Its dignity lies in the capacity for teaching how human actors and their actions can become good through a process of perfection. As Rosmini asserts, the moral good, unlike other goods, extends to all human actions and is the same in all of them.¹⁸ In fact, it implies the promise of perfection, on which its authority is based, and which provides an ultimate horizon within which human beings and their actions appear in light of a likely accomplishment. Moral science, however, differs from other sciences and from all arts in that it is autonomous and thus by no means necessary to the production of predefined effects in an operative context. Regardless of the fact that moral science is not ineffective, its functionalisation is inconceivable for Rosmini and would imply the abolition of the autonomy of moral science, which is to say the abolition of moral science itself. As Rosmini asserts, the said perfection is a promise of the moral good that might be realised within the limits of the human capacity to fulfil moral obligations. However, it is important to see that the perfection is a result of the human response to the moral obligation,

¹⁴ A. ROSMINI, *Principi della scienza morale*, Opere di Antonio Rosmini, vol. 23, Città Nuova, Roma 1990, pp. 33-45.

¹⁵ This difference plays an important role in the interpretation of Rosmini's moral and economic theory. At the beginning of the article *Il «prezzo delle cose» in Rosmini, tra economia e ontologia* (in GHIA - MARANGON (eds.), *Rosmini e l'economia*, cit., pp. 129-150), Michele Dossi addresses possible risks lurking in unconsidered linguistic, methodological and epistemological differences between economic and moral science. He argues that the translation of concepts from one field of research to the other could create more confusion than clarity. For example, he points to the difference between the economic concept of richness and the ontological concept of richness, the difference between economic values and moral values, etc.

¹⁶ ROSMINI, *Principi della scienza morale*, cit., p. 35 [trans. mine].

¹⁷ *Ibidem*.

¹⁸ *Ivi*, p. 37.

not the reason on which ground it appears justifiable.¹⁹ A path towards this reason emerges through Rosmini's concept of «good» and its foundation in the «idea of being».

IV. SUBJECTIVE AND OBJECTIVE GOOD

Here we touch upon a delicate point. According to Rosmini, beings themselves are indifferent to the notion of «good». In the first place they are neither «good» nor «evil». But, they appear to be good or evil in light of how they are considered: either in relation to us (subjective good: being useful, desirable, pleasurable for us: constitutive of economic value), or in relation to themselves (objective good: dignity of being that must be recognised by us: constitutive of the ontological reality).²⁰ The notion of «good» reflects the «relation»²¹ to beings. On the one hand, this «relation» persists for the human being, and, on the other hand, the «relation» itself is required to be borne by the human being. In other words, the notion of good stands for a relation that persists for the human being in the requirement to be borne by him and which, in turn, is borne by him to the extent that the human being recognises the persistence of this requirement.²² This recognition is pivotal for Rosmini's conceptualisation of the moral good. In fact, the persistence of this requirement can also be ignored, and thus the inherent moral obligation would remain disowned. However, according to Rosmini, recognition is an exercise of intelligence:

Since it is certainly intelligence that weighs and measures the different degrees of being, so to speak, [...] through the act of perceiving it and considering it now greater, and now less; and thus it is also intelligence that weighs and measures the different degrees of good and consequently orders them in relation to itself according to their merits [...]: which is itself already a way to determine the order of being.²³

¹⁹ Ivi., pp. 37-39.

²⁰ This distinction is fundamental to Rosmini's concept of moral good (cf. DOSSI, «*Il prezzo delle cose*» in Rosmini, *tra economia e ontologia*, cit., pp. 129-150). According to Rosmini, the moral good is an objective good. Objective goods, on the other hand, are not absolute goods (cf. ROSMINI, *Principi della scienza morale*, cit., pp. 105-107).

²¹ While we cannot go into greater detail here, it should be noted that the concept of «appetite» plays a fundamental role in this context (ROSMINI, *Principi della scienza morale*, cit., pp. 66-85).

²² This relation is relevant for Rosmini's attempt to question the reasons on the virtue of which social and political structures are stable or, on the other hand, tend to faint and thus collapse (cf. DOSSI, «*Il prezzo delle cose*» in Rosmini, *tra economia e ontologia*, cit., p. 134).

²³ ROSMINI, *Principi della scienza morale*, cit., p. 111 [trans. mine].

If the persistence of the aforementioned requirement is recognised, and being itself is weighed and measured according to different degrees of good, the order of being becomes manifest in each and every being as well as in all conjunction of beings. Instead of chaos, an «order of being» arises, if the relation to beings is founded in what is required to be recognised in the first place—this is to say: «being».

It cannot be doubted that the good persists within being, while in the end it is itself being.²⁴

Being realises itself, actuates itself, develops itself; in actuating itself, in developing itself, it has an intrinsic and necessary order, whose reason cannot be found if not in [being] itself.²⁵

The «good» is itself «being». «Being» requires recognition in order to realise, actuate, and develop itself as the manifestation of an «intrinsic and necessary order». «Evil»²⁶, on the other hand, is not the mere opposite of «good»—i.e., the mere negation of «being»—but is the absence of the required recognition of being as such. The consequence of this absence is chaos that equals the above-mentioned «loss of reality».

It is due to the «intrinsic and necessary order», mentioned by Rosmini, that subjective goods are not autonomous in the sense that their «being good» depends on an external end in relation to which they appear in the first place as a means for us. Economic goods, for example, are subjective goods. On the other hand, objective goods are autonomous, in the sense that «being good» simply means «to be» in such a way that the requirement of being recognised by us becomes an obligation. The moral good, for example, is an objective good. However, the subjective character of goods is necessarily based on objectivity, regardless of whether the idea of being is recognised or disowned. This is why Rosmini states that the moral good, unlike other goods, extends to all human actions and is the same in all of them.²⁷

V. THE RECOGNITION OF THE MORAL GOOD

«[Being] is, therefore, the first, universal truth».²⁸

Here we touch on another delicate point: the recognition of the moral good reflects the direct cognition of the idea of being. According to Rosmini, the recognition of the moral good is realised voluntarily, whereas the cognition of the idea of being is necessary in itself.

In what does the morally good act consist [...]? It consists in recognising what we have already

²⁴ Ivi, p. 84 [trans. mine].

²⁵ Ivi., p. 82 [trans. mine].

²⁶ Ivi., pp. 84-85.

²⁷ Ivi, p. 37.

²⁸ Ivi, p. 137.

cognised. We know beings: this is direct and necessary cognition; we recognise them: this is reflexive and voluntary cognition. In direct cognition we conceive a thing, and therefore the being of it, the whole being that is in this thing. If, reflecting, we recognise the whole being that is in this thing, we reveal the right and true degree of its being good. But if we conceal some part of its being from ourselves [...], in that case we are wrong with regard to this being, in that case we lie to ourselves, in that case we consider it to be less good than it is in reality; although we know what it really is, we don't want to know it.²⁹

Instead of recognising the true good that appears in light of the idea of being, we disown the relation to the real being and thereby we lose touch with reality itself. According to Rosmini, we do not lose touch with reality by pursuing the subjective good (i.e., by pursuing that which is useful, desirable, pleasurable for us) but by detaching it from what is objectively true and thus depriving ourselves of the possibility to recognise a being as a likely moral good. By doing so, we risk losing the truth of the real being that demands to be recognised by us in order to become a real moral good.

Truth is the principle of moral.³⁰

The moral act is not so in relation to me because it pleases me in some sense, but it is so because it conforms to truth.³¹

The way in which moral science pursues truth is autonomous in as much as it is relieved through reference to external principles.³² Its principle is truth—established as moral good through the recognition of the idea of being. This does not apply to economic science. Economic goods depend on ends in light of which they appear useful, desirable, or pleasurable in the first place. This is to say that economic goods are not necessary in themselves; they become necessary where they serve the moral good.³³

VI. THE ASSUMPTION OF AN INDEPENDENT REALITY

However, in Rosmini, moral and economic science are not only opposed to each other in the sense of a simplistic two-world doctrine. Rather, moral and economic science are accurately

²⁹ Ivi., p. 135 [trans. mine].

³⁰ Ivi., p. 138. At this point it is necessary to introduce and discuss the human ability to recognise truth, which in Rosmini is related to the notion of «intelligence».

³¹ Ivi., p. 155.

³² Ivi., p. 39.

³³ Cf. HOEVEL, *The Economy of Recognition*, cit., pp. 63-66.

differentiated in their reciprocal coalescence within the scope of human practice as a whole.³⁴

Following Rosmini, it could be asserted that if economic science is based on the pursuit of economic goods alone, it risks losing touch with the true provenance of its goods. This provenance of economic goods must be derived from the recognition of the idea of being. Through this recognition the moral dimension of economic science appears, and a true relation to reality can be restored.

It could also be asserted that modern economic science constitutes itself by excluding the moral dimension and thus by suspending a true relation to reality. In fact, in its modern form, economic science is engaged with the production, allocation, and consumption of means—economic goods—that are needed to realise ends that, strictly speaking, are themselves again economic goods—such as the maximisation of utility and self-interests, the enhancement of growth and innovation, the striving for profit and competitive advantages.³⁵

As a consequence, the traditional relationship between moral and economic science is radically transformed. Traditionally, economic science presents itself as a knowledge engaged in establishing how already given ends can be reached in the most optimal way, in order to achieve the greatest possible effect at the lowest possible cost. On the other hand, it was not the task of economic science to identify and set these ends autonomously. There were other forms of knowledge—among which moral science—engaged in the pursuit of such ultimate ends.

This is to say that, traditionally, economic science was characterised by the absence of an instant of true autonomy, in which it could bestow to itself the law of thinking, and accordingly institute itself as a free form of knowledge. Economic science was seen as dependent on external principles. This absence, however, was not understood as an epistemological deficiency that had to be overcome by the application of adequate methodical means. On the contrary, this absence was understood to be constitutive of economic science itself. It revealed the need for principles that could allow for a kind of autonomy on which not only economic practice, but human practice as a whole could be established. These principles were the subject of moral science, and thus, according to Rosmini, they did «not spring from the sole logic of economic science».

On the other hand, this absence becomes a structural criticality if economic science is put in the position of defining autonomously those ends of human action which ought to be realised in the first place. If so, economic science assumes an independent reality which eventually

³⁴ Rosmini was sceptical about the increasing subdivision of specialised forms of knowledge based on a plurality of rationalities that remain detached from one another. Rather, his approach was oriented towards the reconstruction of unifying-encyclopaedic knowledge (Cf. LIERMANN, *Concorrenza e mercato nella filosofia politica di Antonio Rosmini*, cit., p. 173). In fact, in the *Introduction to Philosophy*, speaking about his own studies (*About the Author's Studies*), Rosmini argues: «We certainly hold that anyone who devotes himself to the study and pursuit of truth must keep before his inward eye the image of knowledge as one, simple and indivisible, applicable to all individual entities yet remaining itself un-fragmented» (A. ROSMINI, *Introduzione alla filosofia*, Tipografia Casuccio, Casale, 1850, p. 10 [trans. mine]).

³⁵ Cf. HOEVEL, *The Economy of Recognition*, cit., p. 36.

ignores the inherent moral dimension of economics itself. This structural criticality increases when we see how moral science is affected by this transformation, in that it becomes a form of knowledge with prevalently corrective or, in any case, ancillary functions. As a consequence, moral science turns into a mere operative form of knowledge, applied to the realisation of economic goods, by making itself available as a means for corrective actions within an already established functional context. This is to say that moral science loses its autonomy and therewith fosters the ongoing «loss of reality».

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