Ethics and Economics

Of Value and Values

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Ethik und Ökonomik – Vom Wert und von Werten

This paper argues that economics and ethics should not be seen as opposed and radically different, but rather as two versions or aspects of the same enterprise, that of providing rules of interactions for agents who are not attached by obligations of reciprocity. The particularity of modern economics – as opposed to traditional gift exchange – is not that it is without any ethical content but that it proposes an answer to the question: how should I behave towards those to whom I owe nothing. The only coherent answer to that question that is not imposed from the outside implies fairness as a self-regulating characteristic of exchange I argue. Values in the sense of value ethics are related to this enterprise as a way of resolving the problem that fairness in exchange and more generally reciprocity (once reciprocal obligations have disappeared) must presuppose itself and thus cannot be guaranteed.

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1. Economics, ethics and values

There exists a widespread tendency to see ethics and economics as two radically distinct domains; that is to say, not only as separate disciplines, but even as different world views whose preoccupations are foreign to each other. Some argue that this separation is a good thing. Ethical considerations according to them should be kept out of economics. Its scientific status requires independence from ethics and from all questions regarding values understood in the moral sense of the term. Its ability to guide us through economic difficulties and to lead us to affluence, demands a clear-headed, no non-sense, approach to economic issues. One where the hard decisions that can insure growth and fiscal health are not rendered impossible by moral ‘sentimentalism’. As Keynes once said, “for at least another hundred years we must convince ourselves and others that what is good is bad and that what is bad is good, for what is bad is useful and what is good is not useful” (Keynes 1930/1972: 381). What would happen after one hundred years is not entirely clear. Even if nearly eighty years