

OTHER THINGS EQUAL

Why Economists Should Not Be Ashamed of Being the Philosophers of Prudence

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The “Christian” virtues (which a lot of Christians in the news don’t seem to have much of) are Faith, Hope, and Love. Together with the four other “pagan” virtues they make up the Seven Cardinal Virtues, which I would argue are a complete set. *Everything* you want to know about virtue is contained in the blessed seven, said St. Thomas Aquinas and even our own blessed Adam Smith. *Everything*.

Three of the four other “pagan” virtues are Courage, Temperance, and Justice. But you better also have the last pagan virtue, Prudence—last in heroic value, first in political and economic and bourgeois value. I mean by “Prudence” all the words from Aristotle’s *phronesis*, usually translated as “practical wisdom,” through Cicero’s and St. Thomas Aquinas’ *prudentia*, down to plain English “wisdom” (in its practical aspect) or “know-how” or “common sense” or “savvy”—French *savoir-faire* and fancy-English “rationality” or “self-interest.” We know it in modern economics as the virtue—alas, the only virtue—of that well-managed fellow Max U. Prudence is not academic knowledge, *sophia* or *scientia*, praised by the philosophers from Socrates to the Great Books as a knowledge of ends. It is a knowledge of means: budgets lines, not utility functions. Bentham and his followers (namely, most economists down to Gary Becker) have wanted to make Prudence into *the* virtue, collapsing Love and Justice and the rest into Utility. It is a very bad idea, both scientifically and ethically.

But Prudence *is* a virtue. We have been inclined for some centuries now in the West to relegate Prudence to an amoral world of “mere” self-interest. This has been a catastrophe for our dear economics. Only a disposition to take care of *others* is construed as “virtue,” and then for its intentions rather than for its practical effect. Having good intentions in one’s heart is said to be virtuous, even if the intentions when carried out (such as high-rise public housing along the Dan Ryan Expressway or the war on drugs brought onto the streets of Watts and East LA) do not quite deliver as intended. And surely, as we in European culture have been saying for a long while, knowing how to take care of *oneself* is hardly a *virtue*?

Yes, it is. And so is the correlated carefulness in “helping” others: the Love or Justice moving us to help others is a vice, not a virtue, when unalloyed with Prudence. Knowing that one must put out a candle before leaving the house is a good thing, even if you didn’t *mean* to burn the place down, even if your intentions were

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pure, even if it was your own house to dispose of. Aquinas declares that “any virtue which causes good in reason’s consideration is called prudence,” and observes that it “belongs to reason essentially whereas the other three [of the four pagan, or ‘natural’] virtues [viz., courage, temperance, and justice]. . . apply reason to passions” [Aquinas, question 61, articles 3 and 4]. Amelie Oksenberg Rorty (one of the numerous and recent female voices in ethics) elegantly encapsulates the Aristotle behind Aquinas as requiring that “the virtuous person perform the right action in the right way at the right time on the right objects” [1980, 380]. Clearly, such a person must be among other things a *phronimos*, a person of practical reasoning, “really knowing what one is doing, being aware of the circumstances and consequences of one’s actions, with the right conception of the sort of action one is performing” [Aquinas, question 61, articles 3 and 4]. A person lacking Prudence is a loose cannon.

Prudence fits, for example, all of Alasdair MacIntyre’s requirements for a virtue: “an acquired human quality [acquirable in part only, since people are admitted as having from early childhood varying gifts for common sense] the possession and exercise of which tends to enable us to achieve those goods which are internal to practices [such as statecraft]” [1981, 178, 207-8]. MacIntyre accords “practical reasoning” the status of a virtue when it is understood as a “capacity for judgment . . . in knowing how to select among the relevant stack of maxims and how to apply them in particular situations. Cardinal Pole possessed it [in statecraft]; Mary Tudor did not” [ibid.].

Imagine a community filled with imprudent people, Mary Tudors in bulk, and you’ll see the virtuousness of prudence. Such a community is not difficult to imagine—a community of small children would fit the bill, as in *The Lord of the Flies*, or a community of adolescents such as the Latin Lords, or indeed a community of moral saints, if “moral” means “improving the welfare of others or of society as a whole” without considering one’s *own* flourishing. (That exclusively altruistic definition of “virtue” is Susan Wolf’s in her famous contribution to the new “virtue ethics” (as new as Aristotle), “Moral Saints,” [(1980) 1997, 80]. It is a disastrous flaw in her case: she leaves out *self-interested* Prudence as a virtue, and so lets her moral saints behave badly towards *themselves*. No wonder we agree with her in finding them obnoxious.)

We labor to teach our children and adolescents and our dogs and, yes, ourselves the practical wisdom that keeps them and us from injuring or impoverishing themselves and others and ourselves. An imprudent person, someone who does not know the value of money and how to keep accounts, for example, is a menace to his friends and family, and to his fuller self. He may be chivalrous in some sense, courageous and temperate and just, even great-souled, as Aristotle wished, or loving, as did St. Paul, yet a fool, and not virtuous as a whole, tragically—or comically—flawed, as most of us are, short of King Arthur or Cardinal Pole. Thus for example Don Quixote.

Because aristocratic and slave-owning members of city-states first discussed the pagan virtues systematically, the pagan four of Courage, Temperance, Justice, and Prudence are often supposed to be especially suited to the world of the polis. But the supposition cuts economics off from virtue. *Big* mistake. In view of the commercial character of Greek culture from at the latest the 7th century on, the anti-commercial construal of the Greek-labeled virtues seems at first strange. After all, the urns from which we learn so much of the details of Greekness contained olive oil bound in profit

for a startling array of places, from Phoenicia to where the Atlantic raves outside the western straits. When Aristotle is struggling to make justice fit his formula for virtue as a mean between deficiency and excess he turns with enthusiasm to the marketplace for examples (and therefore long afterwards economic thinking was clotted by his notion of the just price; [(330 B.C.E.) 1926, V, v, *passim*; cf. V, ii, 13].

It was aristocratic, or wannabe-aristocratic, snobbishness about production in the ancient world, rehearsed in the Hellenic revival of 19th-century divines and schoolmasters, that made the four pagan virtues (and especially the non-Prudence ones) seem *non-bourgeois* virtues, not seared with trade, bleared, smeared with toil. Toil is for slaves and women, after all, and trade for ill-bred shopkeepers. Free men of birth, the citizens of the polis, or the boys at Eton and Rugby, do the great-souled stuff. Aristotle [quoted in Houser, 2002, 305] did not even admit that the citizen-soldier's feats were real Courage: the hoplite "seems to face dangers because of the penalties imposed by the laws and the reproaches they would otherwise incur" (oh: unlike the Homeric Hero obsessing about his reputation). The Homeric, the Political, and the Stoic versions of pagan virtue were explicitly anti-bourgeois, hostile as a hero or a landed gentleman or a philosopher unmoved (*apathes*) by earthly desires should be towards any suggestion of *pleonexia* (excess, greed).

The old idea that the aristocracy of Greece and the senatorial class of Rome was merely landholding, and wouldn't *think* of lending money at interest or investing in a scheme of apartment building for profit, appears to be mistaken. For all their immersion actually in a market economics, though, the two founts of virtue-talk in Athens—Plato the literal aristocrat and his graduate student Aristotle, the son of a physician in the Macedonian court and himself tutor to kingly Alexander—did not view businesspeople as capable of true virtue. The exclusion of commerce from the highest virtues becomes absurd in the late Roman Republic, and caused of course endless theological difficulties in the Christian Empire and medieval Europe. It still haunts our talk of virtue.

The Royal Palace on the Dam Square in Amsterdam began its life in 1648 (it was completed in 1665) not as a monument to royalty—Holland was a republic until Napoleon—but to the burgerlijk virtues that had triumphed in war and commerce over Spain during the Eighty Years War [for the following: Kraaij, 1997, 10, 12, 14, 23, 42-47; Huiskens, 1996, 22-23; Goossens, 1996, 16-17, 22, 28]. At its construction on a forest of Norwegian logs sunk into the mud it was among the largest buildings in Europe, the eighth wonder of the world (as Joost van den Vondel, the Dutch Shakespeare, proudly claimed), and was for a century and a half afterwards the city hall. Larger than the great New Church next door ("new" in 1408), contemporaries spoke of a contest between secular and ecclesiastical power—the alternative commemoration of the 1648 peace, which was rejected, was to supply the Church with a magnificent tower. The Stadhuis served no royal or religious purpose. Its main room, judged one of the architectural jewels of Europe, was named De Burgerzaal, the (full, voting) citizens' hall.

Outside, at the four corners of the building's principal façades, front and rear, were placed four large bronze statues, whose plaster casts were later put up in De Burgerzaal as well. They can still be seen. They do not celebrate Greed (is Good) or

Avarice (Above All). On the contrary, they celebrate, as was usual in Dutch civic tradition, Justice (*Rechtvaardigheid*: right-skill) and Prudence (*Voorzichtigheid*: foresight, which reflects the difficulty of rendering *Prudentia* in Germanic languages except our frenchified English tongue). And to get the classical Four entire they celebrated, as was not usual, Temperance (*Matigheid*) and Vigilance—the original architect intended the fourth virtue to be, as classically, Courage, but his successor for some reason made the substitution (perhaps he thought vigilance [*Waakzaamheid*: watchfulness] less belligerent than martial courage [*Moed*] in a time of peace). In any event the point is that Amsterdam at the height of its success as a bourgeois republic spoke insistently of a balanced set of virtues, not merely of gain—though gain, which is to say Prudence, figures, too, the fourth as I said of the bronze statues topping the building, and inside with reliefs and inlays celebrating the world-girdling commerce of the city.

Likewise at one end of *De Burgerzaal* the entrance to the Magistrate's Court is surmounted by Death and Retribution aiding Justice in trampling the sins of Greed (personified by King Midas) and Envy; earthly possessions represented in the frieze and arch are restrained by the harness of Temperance and the sword of Justice, with Hercules' lion skin and club to complete with Courage the three non-Prudential pagan virtues. The theme is repeated, in case you missed it, in the little room known as the Tribunal. The judges handing down there a sentence of death, themselves faced two large statues of Justice (with sword and blindfold) and Prudence (with a self-reflecting mirror). The condemned prisoner faced elaborate base reliefs of Love and, again, Justice and Prudence: left to right, a Greek father who lovingly volunteered to be punished in his son's stead; then Solomon's prudent judgment; and finally (if classically educated the condemned person would by now be ready for it) a Roman father who justly executed his own sons for treason. In other words, to repeat: in its icons the first bourgeois society in northern Europe dealt in the virtues as much as in grains and spices. So do we still.

As the Dutch of the Golden Age perceived, the ancient notion that Courage, Temperance, and Justice could not flourish in a commercial society is wrong. (Prudence it was realized, *could* flourish, certainly, which made too much of it suspect in a hero: Max U is no Odysseus.) The "pagan" virtues, when taken out of their heroic or Hellenic context, are after all merely human, good for business, good for life: the courage to venture, the temperance and justice to keep balance in doing so, the prudence to venture aright. The mother of a handicapped child, the manager of a company facing bankruptcy, the ordinary person rising daily to work in an ordinary job for her son or his daughter, needs to be courageous, temperate, just, and prudent, "the better fortitude / Of patience and heroic martyrdom / Unsung." St. Thomas's teacher, St. Albert the Great, summarized Cicero as claiming that every virtuous act has all four: "For the knowledge required argues for prudence; the strength to act resolutely argues for courage; moderation argues for temperance; and correctness argues for justice" [quoted in Houser 2002, 306].

In *De Officiis* Cicero had argued that the Four pagan virtues constitute a man's honor, for which the Latin word was *honestas*. It is no surprise that in a commercial

democracy such as ours “honesty” emerges at last as the egalitarian equivalent of an aristocratic and anticommercial “honor.” The two diverging words have the same root in Latin (*honos*: esteem; for what we call “honest” the Romans used instead the original of our “sincere”). The four virtues lead in a society of status to honor; and in, nowadays, a society of contract to honesty. As Aquinas and every theorist of the virtues through the bourgeois Adam Smith concluded, the pagan and civic and “natural” Four are an almost complete account—perhaps the masculine side of a complete account—of even a bourgeois virtue. Economists should be proud to be so very expert in one of them, Prudence. (But they should realize, as Smith did, that Prudence works within a character exhibiting or failing to exhibit the other six, too.)

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