

The *telos* of the market and Civil economy

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Introduction

The three papers of this symposium discuss different issues presented in my book *The Genesis and Ethos of the Market*. Wagner claims that my discourse on civil economy would have been more fruitful if embedded in an ‘ecological orientation’ to social science. I agree in principle, although it is always right (but too easy) to criticize an author on what he *does not do*, instead of what he actually *does*. I don’t agree, however, with this: “One is the prisoners’ dilemma, which Bruni associates with Smithian political economy. The other is the stag hunt, which Bruni associates with Neapolitan civil economy” (Wagner, p. 227). Actually, I never thought nor wrote that Smith’s political economy is associated with a Prisoner Dilemma. In fact in the book I use the stag hunt game for both Smith’s Political Economy and Genovesi’s Civil Economy.

In general I found Wagner’s comments insightful and useful for further developments of my ongoing research, in particular his emphasis on institutional settings and on the essential need of a ‘vantage point’ for doing good social theory. I find his use of “We-I” frames interesting. There is today a significant literature on ‘we rationality’ within a liberal approach to society (Smerilli 2013). Wagner says,

“The central presumption of this scheme is that individuals are prior to society. Initially, each individual must be separate from and unknown to the others. Otherwise, they already constitute a society. The analytical direction for social theory is to start with a set of individuals and generate a “we” from that point of analytical departure. To treat society in this manner is surely to embrace an impoverished notion of society as well as an impoverished agenda for social theory” (p. 235).

I agree, although the priority of individuals over society is, in a liberal approach (see John Rawls), essentially a methodological device that does not say anything ontologically. Starting from individuals (or, I would say, from *persons*) as the only way to avoid holism seems (to me) to be a remedy worse than the disease. The we-rationality approach is one of the most successful attempts to save the moral primacy of the person over society and, at the same time, to overcome the atomistic, asocial conception of individuals present in mainstream economics. I agree that society has historically preceded individuals, but in modern social theory individuals exist, and to start from society is, at least theoretically, prone to an anti-liberal vision of society and politics. In my book, the primacy of society over individuals is modelled by considering the game not as something chosen by individuals playing the game, but by the ‘objective’ payoffs of the game, which I try to distinguish from the subjective or psychological payoffs.²

Smith’s and Candela & Powell’s papers deal both with issues related to my discussion of virtues—although Smith’s that focused more on the nexus (seen generally as harmonious) between market and intimate relationships, and applying Hirschman’s *Exit, Voice, and Loyalty* to intimate relationships.³ In this paper, I will discuss my views on virtues in relation to both Aristotle and contemporary communitarianism more deeply.

On virtue ethics

The concept of virtue, central in my book, isn’t much discussed in economics, but virtue ethics (the study of moral character) is a major strand in moral philosophy. As I tried to show in the book and in a series of papers written together with Robert Sugden (2000, 2008, 2013⁴), it is possible to understand and describe ordinary economic interactions coherently with the virtue-ethics approach. In doing so, I follow a path different from the mainstream of communitarian moral philosophy but consistent with the Aristotelian and classical philosophy of virtues (this is my reply to Candela and Powell’s paper in this symposium).

The premise of this paper and of my research project on economic virtues and Civil economy is that economists need to think about virtue in economic life for many reasons. Firstly, virtue ethics is seen by its proponents as an alternative to the kinds of moral theory that have been adapted for use in normative economics (especially consequentialist theories, e.g. utilitarianism, but also deontological theories, e.g. Kantianism, or Nozickian libertarianism). So there is a danger that, by ignoring virtue ethics, we cut ourselves (as economists or social scientists) off from significant developments in moral philosophy. A second reason is that virtue ethics is closely associated with a

critique of the market and economics. The essential idea is that the market depends on instrumental motivations and thereby lacks virtue, and undermines virtue in other domains of life; and that economics encourages this. Although the philosophy is abstract, many of the attitudes it supports are echoed in anti-capitalist and anti-globalisation ideas that have resonance in public debate. To respond to this critique, we need to understand the arguments that the critics can advance. Finally, it is possible to respond to these criticisms (that are, at least partially, similar to most of the criticisms of my book contained in the papers of this symposium) *in the language of virtue ethics*.

In this paper I will develop a defensible concept of virtue that is compatible with the normal workings of markets, as has been idealised in neoclassical economic theory and is hinted at in some classics of economic literature. In the framework of virtue ethics, economics doesn't stand for non-virtue against virtue; it stands for a certain set of virtues, unified by an idea of reciprocity or mutual advantage. These are virtues that are common to other domains of civil society, and needn't be seen as a threat to virtue outside economic life.

Virtue ethics can be *a new way of seeing* the behaviour that economics already describes and explains. For generations of economists, the "big picture of economics" has included the idea that the market is a virtue-free zone, in which socially desirable consequences emerge as unintended consequences of individuals' pursuit of private interests, e.g. the idea that "It is not from the benevolence of the butcher, the brewer, or the baker, that we expect our dinner, but from their regard to their own interest [...; the merchant who...] intends only his own gain, [but is] led by an invisible hand to promote an end which was no part of his intention" (Smith, 1776/1976: pp. 26–27, 456). In my vision (that I share with Robert Sugden), we do not need to offer a different theory of *what* the butcher or the merchant does, but rather a different way in which they might *understand* what they are doing, and, as a consequence, the implications of their future behaviours and happiness (in terms of enjoying relational goods).

What do I mean by "virtue ethics?" Although there are many disagreements regarding many aspects of virtue ethics,⁵ its central focus is on *moral character* (what sort of person one is). Virtues are character-traits and dispositions that are judged to be good. How is this related to action? Virtues are not perceived as good because they induce actions that are independently judged as good (e.g. as utilitarians do) or right (e.g. as Kantians do). Actions are perceived as good because they are in character for a virtuous person, they are constitutive of living well and flourishing. Thus, virtues are cultivated as "the kind of person I want to be," not as rules of thumb for moral action.⁶

The form of virtue ethics that is discussed most often in modern philosophy, in particular among communitarian thinkers, is *Aristotelian*. In this form of virtue ethics, the concept of human flourishing is derived from a conception of human nature, and from the idea of *telos* (i.e. the intrinsic end, the true nature, of a domain/activity). Aristotle seems to think of the *telos* as a natural fact that can be ascertained by intuition, but many modern virtue ethicists favor a communitarian approach. This approach, exemplified by the work of MacIntyre (1984), understands the concept of flourishing as internal to specific communities and cultural traditions. Each activity has its own *telos*, and virtue within that activity is understood in terms of its *telos*. The reference point is Aristotle's *Nicomachean Ethics* (NE), in particular the first sections dedicated to the definition of virtue. According to Aristotle, virtue is defined in relation to the concept of good life or human flourishing (*eudaimonia*). The first lines of the NE say (not by chance):

Every art and every inquiry, and similarly every action and pursuit, is thought to aim at some good; and for this reason the good has rightly been declared to be that at which all things aim (NE, 1). ...

And later:

Let us again return to the good we are seeking, and ask what it can be. It seems different in different actions and arts; it is different in medicine, in strategy, and in the other arts likewise. What then is the good of each? Surely that for whose sake everything else is done. In medicine this is health, in strategy victory, in architecture a house, in any other sphere something else, and in every action and pursuit the end; for it is for the sake of this that all men do whatever else they do. (NE, 7)

Aristotelian ethics was adapted by medieval Christian thinkers (with a key role played by the Aquinas), who related *telos* to God's purposes. Further adaptations have been made by modern communitarians. In one version of communitarianism (best exemplified by MacIntyre), the concept of flourishing is understood in relation to cultural tradition (internal to a given community) rather than universal human nature; the *telos* of an activity is understood in terms of tradition, custom, practice ("meaning") rather than as a conceptual matter. Other communitarian writers give more role to public reasoning about *telos*. For example, Sandel (2009) says that the question "what is the purpose, or *telos*, of a university?" is "contestable" but still something we can reason about. Similarly, Sandel rejects the dissenting argument of Justice Antonin Scalia in a US Supreme Court case on the "essential nature" of golf, in which

Scalia says that the question is not answerable (pp. 203–207). Similarly, Anderson (1993) wants to allow ‘conceptual innovation in the space of reasons’ (p. 143).

Another version of communitarianism, which we will treat as a form of virtue ethics, is *intrinsic motivation*. In this line of thought, whose modern intellectual ancestor is Rousseau, human flourishing is linked with authenticity and self-realization. Character development (analogous with cultivation of virtue in Aristotelian account) is more about developing one’s own true nature, or even creating one’s own character, than aligning oneself with a given *telos* or cultural tradition. Actions are good because they are in character, authentic (as I show in my book, this vision links with positive psychology, i.e. the empirical hypothesis that authenticity is a cause of happiness).

My thesis claims that it is possible to think about “market virtue” as a legitimate form of virtue ethics, but doesn’t presuppose the existence of entities (such as *teloi*) that an empiricist would find mysterious (i.e. a belt and braces strategy). For this, we need an equivalent of the *telos* of markets, which a communitarian like Sandel can understand as their “essential nature,” and which an empiricist can understand as a general property of markets that is generally desirable. We need a corresponding concept of good character (relative to markets), i.e. traits that help individuals achieve (or play their parts in the achieving of) this *telos*. Finally, we need a claim that these traits are good or worthy of being cultivated to be credible, both in reasoned public debate (as communitarians would want) and in human nature (as empiricists would want). That is what we have tried to do in the paper *Reclaiming virtue ethics for economics* (2013).

But this concept of ‘good character’ is to be understood relative to the *telos* of markets – in the same sense that one might say that someone is a ‘good entrepreneur’ (i.e. a person who is good at entrepreneurship, not a good person who is also an entrepreneur) or a ‘good soldier’ (i.e. a person who is good at being a soldier). So I (and Sugden) would not claim (as some virtue ethicists would) that conscript soldiers ought to display military virtue—only that if they didn’t (e.g. doing everything possible to keep out of danger and discomfort) they wouldn’t be good soldiers. Analogously, we don’t claim that when individuals act in markets, they *ought* to uphold market virtues (or even that there is a prevailing belief that they ought to).

Communitarianism and economics

A central theme in Aristotle’s ethics is the moral precedence of intrinsic ends over extrinsic ones. The intrinsic/extrinsic distinction should be seen as a ranking of ends, not as a two-way classification, i.e. the end of activity A_1 (e.g.

A_1 is bridle-making, its end is bridles) is extrinsic relative to that of A_2 (riding) if the end of A_1 is an input to activity A_2 . This is Aristotle's way of reconciling the apparently different virtues of different activities. After the opening words of NE (quoted above), Aristotle says,

But a certain difference is found among ends; some are activities, others are products apart from the activities that produce them. Where there are ends apart from the actions, it is the nature of the products to be better than the activities. Now, as there are many actions, arts, and sciences, their ends also are many; the end of the medical art is health, that of shipbuilding a vessel, that of strategy victory, that of economics wealth. But where such arts fall under a single capacity—as bridle-making and the other arts concerned with the equipment of horses fall under the art of riding, and this and every military action under strategy, in the same way other arts fall under yet others—in all of these the ends of the master arts are to be preferred to all the subordinate ends; for it is for the sake of the former that the latter are pursued. (NE, 1)

Ends are ranked by the intrinsic/extrinsic relation. The ends of the more intrinsic “master arts” take precedence over those of activities whose ends are valuable only as inputs to the master arts. The implication is that, the more virtuous an activity is, the more intrinsically it is valued. Although Aristotle seems to believe that economics has an end (wealth), and so presumably has virtues and excellences, he is explicit about the low rank of economic virtues:

The life of money-making is one undertaken under compulsion, and wealth is evidently not the good we are seeking; for it is merely useful and for the sake of something else. And so one might rather take the aforementioned objects to be ends; for they are loved for themselves. But it is evident that not even these are ends; yet many arguments have been thrown away in support of them. Let us leave this subject, then. (NE, 5)

This is taken by communitarian writers as a critique of (what they see as) indiscriminate use of markets, and of economics, which seeks to legitimate this. Take, for example, McIntyre's *After Virtue* (1981/ 1984 [2nd edn]). The concept of practice is central in both his vision of morality and in his criticism of the market:

By a “practice” I am going to mean any coherent and complex form of socially established cooperative human activity through which goods internal to that form of activity are realized in the course of trying to

achieve those standards of excellence which are appropriate to, and partially definitive of, that form of activity, with the result that human powers to achieve excellence, and human conceptions of the ends and goods involved, are systematically extended (1984, p. 187).

To MacIntyre, virtues are “qualities necessary to achieve the goods internal to practices” (1981, p. 273). He alternatively (and tentatively) defines them as, “an acquired human quality the possession and exercise of which tends to enable us to achieve those goods which are internal to practices and the lack of which effectively prevents us from achieving any such goods” (p. 191). MacIntyre seems to say that virtues are generic: “we have to accept as necessary components of any practice with internal goods and standards of excellence the virtues of justice, courage and honesty” (p. 191). Then, virtues are defined relative to practices in general, not specific practices. MacIntyre recognizes that there can be “tragic conflict” between the demands of different practices, e.g. for Gaughin between family life and painting (p. 201), but he seems not to want to call this a conflict between virtues. Thus, treating an activity as *instrumental* (i.e. as a means to some other end, rather than as an end in itself) is non-virtuous. This makes market transactions morally suspect, as substituting external motivations for internal. MacIntyre takes this view so literally that his response to modern life is a kind of despair, a yearning for an imagined subsistence economy:

Moreover the kind of work done by the vast majority of the inhabitants of the modern world cannot be understood in terms of the nature of a practice of goods internal to itself, and for very good reason. One of the key moment[s?] in the creation of modernity occurs when production moves outside the household. (p. 227)⁷

Despite its mismatch with the life of the vast majority of inhabitants of the modern world, he uses his concept of a practice as an ethical standard. For instance, he asks us to imagine an “immensely skilled chess player who cares only about winning—and, perhaps, the goods contingencies attached to winning, goods such as fame, prestige, and money.” The chess player deserves moral criticism because “what he cares about and what he achieves as his good is not that kind of excellence which is specific to chess and the kind of enjoyment that supervenes upon such excellence” (p. 274); instead, he is using his skills instrumentally, presumably in exchange relationships with spectators, participants in exhibition matches, etc.

Compare this chess player with the merchant who pursues only his own gain, or with the butcher who provides the meat for our dinners out of regard

for his own interest. MacIntyre takes this critique of the market to extremes, but similar ideas (presented in less unworldly ways) can be found in E. Anderson [1993, especially Ch. 7, “The ethical limitations of the market”], M. Sandel [2009, especially the section “The moral limits of markets”⁸] or M. Walzer (1983). These authors recognize (if somewhat reluctantly) that markets are necessary (evils), but argue that markets are liable to corrupt virtues that are proper to other domains of social life:

Since marketizing social practices may corrupt or degrade the norms that define them, we need to ask what non-market norms we want to protect from market intrusion. This is a question that requires public debate about competing conceptions of the right way of valuing goods. Markets are useful instruments for organizing productive activity. But unless we want to let the market rewrite the norms that govern social institutions, we need a public debate about the moral limits of markets. (Sandel 2009, p. 265).⁹

Notice the idea that there are “right ways of valuing goods” that are *defined by* social practices, and that “we” (the public, through collective choice) ought to affirm these. Except in a restricted domain, the market fails to value goods in the right way.

Anderson presents this argument particularly clearly. She argues that the “pluralistic theory of the social conditions for freedom and autonomy” to which she subscribes implies “[t]he need to limit markets” (1993, p. 141). Her “pluralism” is about “spheres” (here is the influence of M. Walzer) of life that have their own virtues:

[I]f different spheres of social life, such as the market, the family, and the state, are structured by norms that express fundamentally different ways of valuing people and things, then there can be some ways we ought to value people and things that can’t be expressed through market norms’ (1993, p. xiii).

Additionally:

The [proper] scope of the market is limited by other roles and institutions in civil society’ (p. 147).

Finally:

So what kinds of goods are properly allocated through markets?

The norms structuring market relations that govern the production, circulation and valuation of economic goods have five features that express the attitudes surrounding use and embody the economic idea of freedom: they are impersonal, egoistic, exclusive, want-regarding, and oriented to ‘exit’ rather than ‘voice’. (pp. 144-145)

What does “use” mean? Anderson defines “use” as “the mode of valuation appropriate to pure commodities.” This is “a lower, impersonal, and exclusive mode of valuation,” to be “contrasted with higher modes of valuation, such as respect.” “To merely use something is to subordinate it to one’s own ends, without regard for its intrinsic value” (p. 144). Notice the Aristotelian ranking of intrinsic value over instrumental value. In contrast to lower/exclusive/ impersonal ways of valuing goods, “Higher, shared, and personal ways of valuing goods require social constraints on use.” We can express these valuations only in social spheres “governed by non-market norms” (pp. 164–165). “Higher” here seems to refer to professional excellence (e.g. academics, athletes, artists), where Anderson wants intrinsic value to be expressed. “Personal” value (e.g. friendship) is properly expressed in gift exchange, which “aims to realize a shared good in the relationship itself” (151). This contrasts with the impersonality of markets (viewed as instrumental): “Each party to a market transaction views his relation to the other as merely a means to the satisfaction of ends defined independent of relationship and of the other party’s ends” (145). “Shared” value is exemplified by the political values of “fraternity” and “democratic freedom;” it is expressed by providing goods in common.

Anderson is also disdainful of the legitimate role of the market. To her, the market “also has its proper place in human life” (!), which includes “the conveniences, luxuries, delights, gadgets, and services found in most stores” (pp. 166–167). No mention of more important private non-personal goods such as food, clothing, fuel, shelter—perhaps because she sees these as “needs” rather than “wants,” but she has very little to say about how needs should be satisfied outside the market (p. 146).

Her arguments about intrinsic value in professional services are particularly relevant to this discussion:

Excellent performance in professional roles is judged by the standards of goods internal to the practice rather than by external instrumental criteria such as profitability... Adhering to their defining ideals and goals often involves forgoing opportunities for making money. When professionals sell their services, they enter into market relations that

impose norms on their activities which potentially conflict with the norms of excellence internal to their professional roles. The goods internal to these professions become *partially commodified* (p. 147).

Anderson doesn't claim that this commodification is wholly bad, but this is only because it can promote other intrinsic (non-market) values. In particular, professionals need to subsist, so unless professions are to be restricted to the privately wealthy (which would contravene equality of opportunity) they have to be paid in some way. Private or state patronage may be more damaging to professional autonomy (e.g. self-expression in the arts) than the market (147–148). But the ideal remains “institutions that enable [citizens] to govern themselves by the norms internal to the modes of valuation appropriate to different kinds of goods.” Even when it is the least bad option, the market fails to meet the ideal because it fails to respect intrinsic value: “Firms that produce art or science for profit ... subordinate truth-seeking and aesthetic production [i.e. intrinsic standards of excellence] to external commercial standards of profitability” (149). Notice in the quotation the idea that commitment to intrinsic goals can be expressed through forgoing material rewards.

Again (as with MacIntyre) the idea that professionals might see themselves as similar to Smith's merchants or shopkeepers, intending only their own gain in voluntary transactions with their suppliers and customers, is viewed with abhorrence.

Walzer has similar ideas about intrinsic value and commodification:

The market rewards us all in accordance with the contributions we make to one another's well-being. The goods and services we provide are valued by potential consumers in such-and-such a way, and these values are aggregated by the market, which determines the price we receive. And that price is our desert, for it expresses the only worth our goods and services can have, the worth they actually have for other people. But this is [to?] misunderstand the meaning of desert. Unless there are standards of worth independent of what people want (and are willing to buy) at this or that moment in time, there can be no deservingness at all. We would never know what a person deserved until we saw what he had gotten. And that can't be right. ... The market doesn't recognise desert. ... The morality of the bazaar belongs to the bazaar. The market is a zone of the city, not the whole of the city. But it is a great mistake, I think, when people worried about the tyranny of the market seek its entire abolition. It is one thing to clean the Temple of traders, quite another to clear the streets. The latter move would require a radical shift in our

understanding of what material things are for and of how we relate to them and to other people through them. But the shift is not accomplished by the abolition; commodity exchange is merely driven underground; or it takes place in state stores (1983, pp. 108-109).

Walzer is saying that “desert” should be understood in terms of the intrinsic value of goods or activities, and that market rewards aren’t based on desert. He seems to see this as showing a deficiency of morality in the market (“the morality of the bazaar” suggests at best a very inferior form of morality!). Like Anderson and Sandel, he accepts that the market has its proper place in social life, but as a lesser evil (as compared with prohibition or state socialism). The suggestion is that the market is liable to undermine virtue in other domains by not recognising intrinsic value.

Market virtues: why not?

The Aristotelian/communitarian literatures see the market as opposed to virtue because behavior in markets doesn’t respect the supposed intrinsic value of the goods that are traded. Can the market be viewed as a practice with its own intrinsic values? In terms of MacIntyre’s (1984) definition of practices, the market is certainly a coherent and complex form of socially established cooperative human activity. But does it have moral goods that are internal to itself? Does it have internal standards of excellence? Obviously, if the answer is “yes,” that “good” (i.e. the purpose that it is the essential nature of the market to achieve) must be different from “goods” in the sense of traded commodities. And since this is virtue ethics, the virtues must be capable of being appreciated in their own right, not valued instrumentally *because* they promote the *telos* of the market (even though they do). From the standpoint of virtue ethics, however, the answer to these questions begins by asking: “What is the *telos* of the market?”

Traditionally, economists have followed Smith in treating self-love as the characteristic market motivation, while arguing that the invisible hand of the market transforms individual self-love into public good; i.e. the fact that the market promotes mutual advantage is not connected with individual intentions.

In order to create (among economists) a concrete and intelligible idea of what Aristotelian moral philosophy calls *telos*, first consider the question, “how would you describe, in the simplest and most general terms, what markets do—a sort of mission statement for the “market”? Many answers will probably use concepts such as mutual advantage, gains from trade, voluntary exchange. These concepts are fundamental to most economic theories of markets, and there is a *prima facie* reason for valuing them (each of us values our own

benefits, collectively we value mutual benefit). So it is possible to say: *mutual advantage* (or mutual assistance, that in Genovesi expresses more the mutual intention in the action) is the *telos* of the market. In this perspective Genovesi, Dragonetti and the Civil economy all belong to the Aristotelian virtue ethics tradition.

If economists were asked to nominate one simple diagrammatic representation of a market, the “Edgeworth box” would surely be one of the most common choices, as the point of that diagram is to understand markets as networks of mutually beneficial voluntary transactions. Edgeworth (1881, pp. 16–17) himself, in a famous passage in which he declares that the first principle of economics is that every agent is activated only by self-interest, distinguishes between “war” and “contract,” differentiated by whether “the agent acts without, or with, the consent of others affected by his actions.” His analysis of competitive markets is presented as an analysis of contract. If economists were asked to nominate a theorem to represent the market in its best light, many would opt for the first fundamental theorem of welfare economics, which is essentially equivalent to showing that in competitive equilibrium, no opportunities for mutually beneficial transactions, however complex, remain unexploited. Another strong contender would be Ricardo’s (1817, Ch. 7) comparative advantage theorem, which shows that there are typically opportunities for gains from trade between any pair of countries (and by extension, any pair of individuals), whatever their respective endowments and productivity.

I suggest that the common core of most understandings of markets is that markets facilitate mutually beneficial voluntary transactions. Such transactions can be seen as valuable because individuals want to make them, because they satisfy individuals’ preferences, because they create wealth, and because the opportunity to make them is a form of freedom. We therefore propose to treat mutual benefit, not self-interest or greed¹⁰, as the *telos* of the market. But I (with Sugden) argue that the motivation of market participants can be mutual benefit (among parties to a contract, conditional on the contract having been made), e.g. the baker intends that the customer benefits from buying the bread, the customer intends that the baker benefits from selling it. This kind of motivation doesn’t undermine the workings of markets as analyzed in neoclassical theory—to the contrary, it can facilitate their workings (e.g. by motivating trust).

Conclusion

I have argued that there can be market virtues, i.e. virtues that are defined relative to what (at least according to an important tradition of liberal

thought) what markets “are for.”¹¹ I don’t claim that market virtues never conflict with other virtues (e.g. loyalty to community and tradition, pursuit of artistic excellence, military valour, striving for positional honours). But because market virtues are grounded in reciprocity, they are closely related to (sometimes the same as) virtues of many other aspects of civil society. So it is a mistake to think that the market necessarily undermines virtues, as most communitarian thinkers do. It is also possible for economics to respond to criticisms from virtue ethics.

In my book, and in my broader research project, I have presented a view of the market as a domain of human life with its own distinctive virtues. These virtues do not, as some moral critics of the market might have expected, merely normalize egoism and instrumentality: they are genuine virtues that can be upheld with authenticity.

A natural conclusion to my contribution to this symposium on a book, which has been characterised by a rediscovery of the Neapolitan Civil Economy tradition, is a key sentence from its founder, Antonio Genovesi. As the readers of *The Genesis and Ethos of the Market* know very well, like Smith, Genovesi tried to understand the motivations driving the growth of commercial societies in his time and who made an attempt to build a theory of commercial society based on the idea of *mutua assistenza* (mutual assistance), a civic, horizontal, virtue shared among citizens. Also for this reason, the name that Genovesi gave to his discipline was not *political* economy but *civil* economy. In his final sentence of his *Lectures on Commerce, or on Civil Economy* (Genovesi, 1765–67 [2005]), delivered at the University of Naples, where he was the world’s first professor of economics, he wrote: “Here is the idea of the present work. If we fix our eyes at such beautiful and useful truths, we will study [civil economy] . . . to go along with the law of the moderator of the world, which commands us to do our best to be useful to one another.”

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Notes

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² By the way, the psychological payoffs (ϵ and δ) in my book are not defined in the domain 0-1 (as in Wagner’s tables: p. 229).

³ On exit voice and loyalty applied to values based organizations, see Bruni and Smerilli (2014).

⁴ In this section, I develop some arguments presented and discussed in a greater extension in Bruni and Sugden (2013).

⁵ MacIntyre and Sandel, i.e., are very different in their criticism of economics: Sandel's is explicit and strong (who has borrowed from E. Anderson, and then indirectly from MacIntyre who have hugely influenced Anderson), MacIntyre's is implicit and indirect.

⁶ Virtue *ethics* can be interpreted descriptively (i.e. describing actual or potentially realisable moral practices, such as beliefs about good character that are in fact held, or could be held, by participants in practice—potentially realizable in the sense of “is a stable equilibrium, given human psychology”) or prescriptively (i.e. claiming to say what character traits really are good). Prescriptive virtue ethics typically claims that good moral practices are at least potentially realizable. If, however, one thinks in terms of empirical psychology (like Hume or Smith), one should expect some tendency for socially approved character traits that are reproduced in society to be beneficial to the people who possess them—that doesn't stop them from being virtues.

⁷ Though he seems to allow a mixture of motives; for example, he seems to see portrait painters of the period from the 14th to the 18th century as achieving external ends of fame and income while also pursuing ends internal to the practice of art (189–190).

⁸ Bruni and Sugden (2013) are especially focused on the theory of M. Sandel (2009, 2012).

⁹ Most of Sandel's criticisms to market and economics are taken from Anderson.

¹⁰ That greed is the *telos* of the market is a common theme in ethical criticisms of the market, e.g. Sandel (discussing ways of dealing with the effects of Hurricane Charley in 2004) contrasts the “greed” (“a vice, a bad way of being”) of “price gouging” (i.e. scarcity prices) with “the civic virtue of shared sacrifice for the common good” (2009, pp. 3–8).

¹¹ In Bruni and Sugden (2013) a tentative list of ‘market virtues’ is provided.

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