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Reclaiming Virtue Ethics for Economics

Abstract:

Virtue ethics is an important strand of moral philosophy, and a significant body of philosophical work in virtue ethics is associated with a radical critique of the market economy and of economics. Expressed crudely, the charge sheet is this: The market depends on instrumental rationality and extrinsic motivation; market interactions therefore fail to respect the internal value of human practices and the intrinsic motivations of human actors; by using market exchange as its central model, economics normalizes extrinsic motivation, not only in markets but also in social life more generally; therefore economics is complicit in an assault on virtue and on human flourishing. We will argue that this critique is flawed, both as a description of how markets actually work and as a representation of how classical and neoclassical economists have understood the market. We show how the market and economics can be defended against the critique from virtue ethics, and crucially, this defense is constructed *using the language and logic of virtue ethics*. Using the methods of virtue ethics and with reference to the writings of some major economists, we propose an understanding of the purpose (*telos*) of markets as cooperation for mutual benefit, and identify traits that thereby count as virtues for market participants. We conclude that the market need not be seen as a virtue-free zone.