

ECENUR YAVAŞ

ECONOMY'S SPLIT FROM POLITICS AND PHILOSOPHY

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ECONOMY'S SPLIT FROM POLITICS AND PHILOSOPHY:  
THE NEGLECT OF MORAL SENTIMENTS IN ECONOMICS

A Master's Thesis

by

ECENUR YAVAŞ

Department of  
Philosophy  
İhsan Doğramacı Bilkent University  
Ankara  
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The Graduate School of Economics and Social Sciences  
of  
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ECENUR YAVAŞ

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By Ecenur Yavaş

I certify that I have read this thesis and have found that it is fully adequate, in scope and in quality, as a thesis for the degree of Master of Arts in Philosophy.

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Sandrine Bergès

Advisor

I certify that I have read this thesis and have found that it is fully adequate, in scope and in quality, as a thesis for the degree of Master of Arts in Philosophy.

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Simon Wigley

Examining Committee Member

I certify that I have read this thesis and have found that it is fully adequate, in scope and in quality, as a thesis for the degree of Master of Arts in Philosophy.

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Lars Vinx

Examining Committee Member

Approval of the Graduate School of Economics and Social Sciences

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Refet S. Gürkaynak

Director

## ABSTRACT

### ECONOMY'S SPLIT FROM POLITICS AND PHILOSOPHY: THE NEGLECT OF MORAL SENTIMENTS IN ECONOMICS

Yavaş, Ecenur

M.A. Department of Philosophy

Supervisor: Professor Sandrine Bergès

May 2025

Although economics was once a topic of moral philosophy, moral sentiments are considered to be outside of the scope of economics. To understand the reason for this split and to problematize the neglect of moral sentiments in economics, I analyze the works of the early figures of the field: Adam Smith, Sophie de Grouchy, and David Hume. Their works illustrate the formation of economics as a science and the moral and political perspective they employed in arguments and theories on economics.

I argue that the split and abstraction of economics from its historical and social context created undesirable consequences. Empirical studies focused on abstract and limited cases rather than general patterns. In addition, neglecting moral sentiments diminishes the discussions on public utility to which the early figures attributed much importance. I analyze the contemporary problems about the split through the works of Samuel Bowles, Thomas Piketty, and Ingrid Robeyns. In the light of this analysis, I argue that morality is not instrumentally but inherently related to economics. Therefore, the split and neglect of moral sentiments in economics cannot be justified.

**Keywords:** Moral Sentiments, Economics, Political Economy, Political Philosophy, Public Utility

## ÖZET

### EKONOMİNİN POLİTİKA VE FELSEFEDEN AYRILMASI: AHLAKİ DUYGULARIN EKONOMİDEKİ İHMALİ

Yavaş, Ecenur

Yüksek Lisans, Felsefe Bölümü

Tez Danışmanı: Profesör Sandrine Bergès

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Ekonomi ahlak felsefesinin bir konusu olarak ortaya çıkmış olsa da artık ahlaki duygular ekonomik teorinin alanı dışında görülmektedir. Bu kopuşun nedenini anlamak ve ahlaki duyguların ihmalini sorunlaştırmak adına ekonomi alanında çalışan erken figürleri inceledim: Adam Smith, Sophie de Grouchy, ve David Hume. Bu figürlerin çalışmaları ekonominin bir bilim olarak ortaya çıkışını, argümanlarında ve teorilerinde uyguladıkları ahlaki ve politik perspektifi ortaya koymaktadır.

Bahsedilen kopuş ve ekonominin tarihsel ve sosyal bağlamından soyutlanması istenmeyen sonuçlar doğurmuştur. Empirik çalışmalar genel modeller yerine soyut ve sınırlı meseleler hakkında yapılmıştır. Üstelik, ahlak anlayışını görmezden gelmek erken figürlerin önem verdiği toplumsal fayda hakkındaki tartışmaların sayısını azaltmıştır. Kopuşun neden olduğu çağdaş problemleri analiz etmek için Samuel Bowles, Thomas Piketty, ve Ingrid Robeyns'in çalışmalarına başvurdum. Bunların ışığında, ahlakın ekonomi ile ilişkisinin yalnızca araçsal değil içkin olduğunu ileri sürüyorum. Bu nedenle bahsedilen kopuş ve ahlaki duyguların ekonomi literatüründe görmezden gelinmesi gerekçesizdir.

**Anahtar Kelimeler:** Ahlaki Duygular, Ekonomi, Politik Ekonomi, Siyaset Felsefesi, Toplum Faydası

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## INTRODUCTION

According to Amartya Sen “economics has had two different origins, both related to politics, but related in rather different ways, concerned respectively with ‘ethics’, on the one hand, and with what may be called ‘engineering’, on the other” (Sen, 1988: 3). I will examine the distinctness of morality from the engineering approach to economics to explain why morality is an afterthought in contemporary economics. After this distinction, I will argue the consequentialist argument that justifies the split does not work and we should have a moral outlook to economics because morality and economics are inherently connected.

The ethical origin of economics is rich in the sense that it can be traced back to antiquity and medieval times, including philosophers such as Aristotle, Plato, and Aquinas (Kramm& Robeyns, 2020). Moreover, analyzing this origin throughout its historical development may reveal its relevance to contemporary ideas such as *Limitarianism* (Kramm& Robeyns, 2020). Philosophers discussing the moral origin of economics in particular in the eighteenth century were concerned with questions such as the mode of production that relied on slavery (Brace, 2016); economic and moral costs of the political regime (Bergès& Schliesser, 2024); and the relations between concepts such as greed and money (Kramm& Robeyns, 2020). It is clear that economic activity raised relevant moral and political concerns. Slavery was not only an economic problem but also a moral and political one. For example, the discussions on slavery were not predominantly on economics but included moral arguments both for pro-slavery and anti-slavery discourses. Pro-slavery discourse included claims about the enslaved people being “unfit to be entrusted with power or to judge for themselves” (Brace, 2016) whereas the anti-slavery arguments of Wollstonecraft emphasized concepts such as “justice, universal dignity, and human fellowship” (Brace, 2016: 127).

Moral considerations also involved ideas that would be considered political in contemporary terms. Problems like economic inequality require designing, limiting, or allowing economic activities. Plato and Aristotle suggest legal regulations and restrictions on economic activities, respectively, whereas philosophers such as Adam Smith and John Stuart Mill suggested taxation-based solutions to the problem of inequality (Kramm& Robeyns, 2020). Anna Julia Cooper discussed the relevancy of race in the Saint Domingue case to understand slavery not only as an economic system but also as a racial ideology (Cooper& Bhan, 1998).

The second origin of economics focused on seemingly non-social aspects such as the functioning of the markets, logistical problems, and economic relations (Sen, 1988: 5). These were considered as technical problems that required technical solutions. The problems were aimed to be solved by analyzing concepts such as the movement of money and commodities, understanding and ensuring economic growth, etc. Although these two origins have the capacity to operate independently from each other to some degree, there are also various examples of combining these two origins such as the works of eighteenth century and literatures like welfare economics.

The publication of *Wealth of Nations* written by Adam Smith marks the occurrence of classical economics. So, economics becoming a science happens in the eighteenth century. Roger Smith explains the importance of this period as “individual human nature is a central part of what needs to be studied, and hence political economy was yet another aspect of the eighteenth-century search for a science of man” (Smith, 1997: 303). Managing economic activities necessitated moral discussions; however, management could not be solely achieved through morality. Since what falls under political economy literature of eighteenth century consisted of economy, politics, and morality, its subject matter was complex. This complexity required “probabilistic forms of reasoning, which make inference possible in conditions of complexity and unpredictability” (Smith, 1997: 307). The historical development of the discipline of economics as an issue of management and public policymaking explains why the two branches of economics coincide through social discussions and the management of society using different techniques at the beginning of the field.

Currently, these two origins continue to interplay at some points but have distinct

application areas. Most of the time, moral origin does not directly affect economic policies but has an application area regarding what is personal. For example, the ideals of charity and altruism are morally encouraged for a long time in Western philosophy. Aquinas suggests “voluntary and obligatory almsgiving”, (Kramm& Robeyns, 2020) Smith is not opposed to the “poor laws” that help people in poverty (Sen, 1988: 26). So, sharing one’s wealth and helping people in need are considered morally good and even necessary by philosophers. As mentioned before, the act of voluntary sharing is rarely looked down upon.

Although poverty is considered as a problem that the economic policies should deal with, inequality is considered a normal phenomenon in contemporary economics. Since poverty is generally linked with suffering and lack of necessary material conditions, the importance given to it is intrinsic. In contrast, inequality is only instrumentally evaluated since it might have some bad consequences depending on its type and severity (Sen, 1988). Raising funds for people experiencing poverty based on donations is generally considered a morally good act. However, if economic policies aim to solve the problem of poverty through taxation or already existing state funds, this becomes controversial. "Welfare queens" is a long-standing term that is used to insult people who rely on government support for themselves and their families.<sup>1</sup>

Still, there are some aspects of the neoliberal ideology that relate morality to economics. The habits that surround work and spending have some personal effects. Being greedy, having a shopping addiction, and even poverty can be examples. These are considered personal problems that people can overcome through focusing on their morality or through therapy; financial therapy is an option for people who have bad spending habits. Even though the growth in the economy does not translate into the wages, and working people face homelessness in the USA as a result of this gap;<sup>2</sup> poverty is still believed to be resolvable through hard work or getting a job.

All these approaches stem from a similar place: if a person has a good moral foundation, their relation to things such as spending, working hard, giving aid to

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<sup>1</sup> See <https://time.com/6697055/welfare-queen-stereotype-origins/>, 6697 for further information.

<sup>2</sup> See <https://www.nytimes.com/2018/09/11/magazine/americans-jobs-poverty-homeless.html>, 2018) for further information.

charities, etc. will benefit from it. So, they can be considered as going from a moral domain to an economic one. Economy has an instrumental role in one's morality; economy related activities should be determined by one's own ethical commitments. The acts of taking, buying, producing, and giving gain moral status. They are related to personal morality because our actions (including the ones related to economy) reflect our morality. This perspective affects what we consider as moral obligations. Although helping others through financial means is generally considered as morally good, not doing this is not always considered as morally evil.

So, the relevancy of morality to economic activities is viewed through a personal lens. Someone's character, working or spending habits are important and relevant to one's morality and financial situation. Being helpful towards others is encouraged and considered morally good. However, the moral concerns of the eighteenth-century philosophers considered the historical and social factors in addition to the personal ones. So, I think there might be a problem in the current view that takes the person's moral character or personal actions as the most basic element of the relationship.

Relating moral and economic issues can happen in two ways: we can take the connection as inherent or as instrumental. I argue both connections exist in this thesis.

Since the moral branch that connected not only personal but also the social context to economics was one of the primary sources of the discipline, where did it go? Is this split a justified and natural result of the process that made economics a social science? To answer these questions, the first chapter of the thesis *Understanding Economics as a Part of Morality* turns to the eighteenth century where the first works on economics as a social science was published. As explained before, the ethics-focused root of economics can be traced back to Ancient Greek philosophy. However, the management techniques and the classical economics occurred in the eighteenth century with the publication of Adam Smith's works. The first chapter analyzes the works of Adam Smith and his contemporary philosophers Sophie de Grouchy and David Hume due to the importance of the period, and contributions of these figures to the field. The works of these philosophers consist of both morality and engineering focused approaches to economic theory. After the analysis of their works, I argue the split occurred due to the arguments that tied economic development to public utility closely, starting with Smith's works.

In the second chapter, I turn to contemporary thinkers who work on the issue: Samuel Bowles, Thomas Piketty and Ingrid Robeyns. I analyze Bowles's arguments due to their connection to Sophie de Grouchy's arguments that argue the relationship between moral sentiments and economic actions are reciprocal. Robeyns' work on *limitarianism* discusses current economic problems through a moral and political framework. She relies on empirical studies such as Piketty's work on the related subjects and analyzes their moral and political implications. In the light of these figures, I argue the split of moral sentiments from economics is not justified.

The arguments I develop for my view has four claims: (1) Public utility argument justifies the split of economics from morality. However, the argument only works in cases with a growing economy, and it is unclear whether we can or want to ensure indefinite economic growth. (2) The public utility argument might be the very reason behind the poor living conditions of some people since it prevents the development of mechanisms that can ensure the utility of everyone. (3) There might be other alternatives the public demand instead of the utility that would come from economic growth, and (4) economic matters are inherently social. Therefore, the connection between economics, morality, and political philosophy is not instrumental but inherent. Since they are within the domain of moral and political philosophy, approaching them with this framework is justified and necessary to define what public utility is in the first place.

## CHAPTER 1

### UNDERSTANDING ECONOMICS AS A PART OF MORALITY

The term economy or political economy is generally traced back to the 18th century. This classification is rooted in the fact that economic activity was not a public management area before this point. There were economic activities; however, managing them on a large scale became an empirical science and political concern at this point. With the necessary social conditions being met, such as the concentration of a large number of people in relatively small areas and an increase in trade, the political economy became an empirical area of study required for public policy.

It would be wrong to claim that philosophers did not discuss economic exchange before the 18th century. The issues and concepts concerning economics were discussed under the title of ethics for a long time, starting with Ancient Greek philosophy, as explained in the Introduction. The 18th century is important because that is when economics became *political economy* and people started to study it as a social subject. Because social and political dynamics were complex, several crucial problems were of concern to people who studied political economy. Human nature, sympathy, economic production, taxation, and trade were some of the most discussed. Although these problems can theoretically be classified distinctly, as done in later economics, the figures of the 18th century considered them as strongly interconnected.

Adam Smith comes into the scene as an influential figure with this historical background. His work contained detailed discussions on human nature and sympathy to establish the ground of social phenomena and economics. Although his philosophy is based on such discussions, he also provided empirical analysis of economic production and exchange, keeping his philosophical assessment applicable to public policy. In his

work, and the works that were contemporary to his, morality and economics are discussed together. Since economics was a social phenomenon, understanding the people who do economic activity was as important as understanding their economic activities.

In this chapter, I will discuss Adam Smith's economic theory mainly through his work *The Theory of Moral Sentiments*, in addition to David Hume since Smith was familiar with his work, and Sophie de Grouchy since she translated the mentioned book of Smith into French and wrote commentary on it which gave extension and criticism to Smith's work in addition to forming original arguments. Through these philosophers' works, I will demonstrate how economic discussions extensively focus on moral aspects as well as economic considerations. Although these three philosophers drew different conclusions and views, their argumentation processes have considerable similarities that reflect the style of discussing economics in the 18th century.

### 1.1. Adam Smith and The Theory of Moral Sentiments

Smith starts *The Theory of Moral Sentiments*<sup>3</sup> by analyzing the principles, or “original passions of human nature” (Smith, 2002: 1) and the extent of our sympathy. He then builds moral sentiments, the cultivated form of these original passions, that regulate social life. He explains that the cultivation occurs not during the action but after it is done. To Smith, “passions [...] as father Malebranche says, all justify themselves, and seem reasonable and proportioned to their objects, as long as we continue to feel them” (Smith, 2002: 183). However, after the action takes place, “we can identify ourselves, as it were, with the ideal man within the breast, and in our own character, view, as in the one case, our own situation, so in the other, our own conduct, with the severe eyes of the most impartial spectator” (Smith, 2002). In this process, even if we are prone to self-deceit, others honor good actions. So, even if we can ignore the impartial spectator of Smith, with social interactions, “the general rules of morality are formed” (Smith, 2002: 185).

As Sophie de Grouchy highlights, in her 1798 response to Smith, *the Letters on Sympathy*, although Smith bases morality on the concept of sympathy, he does not

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<sup>3</sup> The book will be referred to as TMS in the text after this point.

explain the concept further (Grouchy, 2019: 58). This is why Eric Schliesser refrains from describing Smith as a moral theorist even though Smith starts *TMS* by analyzing the formation of morality. Smith, according to Schliesser, uses his explanation of morality mainly as a ground to understand the social and economic actors in the following parts of the *TMS* and his further work (Schliesser, 2020: 81).

Several reasons can be listed why he starts with the concepts of sympathy and morality, even though he is not a full-fledged moral theorist. First, during the 18th century, the economy was conceptualized and discussed as *political economy*. So, understanding the economy would not be possible if it is taken as disconnected from the social and political context that it existed in. A moral framework would be necessary to discuss economic actors as moral agents with their ways of thinking and acting. Secondly, some characterizations of human nature have already been provided to help understand economic actors. We know that Smith was highly critical of some of them.

Schliesser points out Smith's dislike towards some philosophical views that serve as a ground for understanding social phenomena through a passage from *TMS*: "those who are fond of deducing all our sentiments from certain refinements of self love [e.g., Hobbes and Mandeville], think themselves at no loss to account, according to their own principles, both for this pleasure and this pain" (Smith, 2002: 8). Smith is critical towards philosophically relying too much on some concepts. He criticizes Hobbes and Mandeville for their confidence in the concept of "self-love"; similarly, he criticizes Hume for relying too much on utility. Although he utilized "utility" in some parts of *TMS*, he does not rely on the concept to understand social and economic affairs for the most part.<sup>4</sup>

Thirdly, Smith wrote *TMS* when other systems, such as mercantilism and physiocracy, were prominent in public policy and discourse (Schliesser, 2020). In addition to these, the philosophies of Hobbes and Mandeville were also systems. Smith starts *TMS* by analyzing the natural and moral sentiments, and then, towards the end, he discusses the

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<sup>4</sup> In Part IV of *The Theory of Moral Sentiments* titled "Of the effect of utility upon the sentiment of approbation", Smith uses the concept of utility to understand what we find beautiful. To him, utility and beauty are related concepts for humans (209).

licentious systems of the mentioned philosophers. After he explains the role of self-love and vice in them, he raises his objection by using the concept of sympathy he marked as crucial at the beginning of the book:

“Sympathy, however, cannot, in any sense, be regarded as a selfish principle. When I sympathize with your sorrow or indignation, it may be pretended, indeed, that my emotion is founded in self-love [...]. When I condole with you for the loss of your only son, in order to enter into your grief I do not consider what I, a person of such a character and profession, should suffer, if I had a son [...] but I change persons and characters. My grief, therefore, is entirely upon your account, and not in the least upon my own (Smith, 2002: 374).”

So, it can be claimed that Smith's starting point, as natural and moral sentiments, serves a purpose in his philosophy to develop a systematic view that can oppose the prominent systems of his age. His philosophy can oppose mercantilism and physiocracy through analysis of economic activity, and he can oppose the licentious systems through his ground in moral philosophy.

## 1.2. Smith's Views on Economy in The Theory of Moral Sentiments

As explained, Smith's views on morality and economics are not entirely separate; they frequently follow or build onto each other. Although he starts by exploring natural and moral sentiments, TMS includes a crucial analysis of economics. In this part, I will break down some of Smith's arguments to illustrate how he indulges in economic theory and moral philosophy simultaneously.

He uses a case about the poor man's son to illustrate how sympathy plays a role in the desire for upward mobility:

“He finds the cottage of his father too small for his accommodation, and fancies he should be lodged more at his ease in a palace” (Smith, 2002: 211).  
“He studies to distinguish himself in some laborious profession. [...] [H]e serves those whom he hates, and is obsequious to those whom he despises” (Smith, 2002: 212). After hard work, he gains what he desires in terms of

wealth. However, “he begins at last to find that wealth and greatness are mere trinkets of frivolous utility, no more adapted for protruding ease of body or tranquility of mind than the tweezer- cases of the liver of toys” (Smith, 2002: 212).

He explains the reason behind the poor man's son's desire for wealth through sympathy. “The palaces, the gardens, the equipage, the retinue of the great, are objects of which the obvious conveniency strikes every body. [...] Of our own accord we readily enter into it, and by sympathy enjoy and thereby applaud the satisfaction which they are fitted to afford him” (Smith, 2002). However, when we sympathize with the material conditions of others, we have little idea about how they really feel. “[W]e constantly pay more regard to the sentiments of the spectator, than to those of the person principally concerned, and consider rather how his situation will appear to other people, than how it will appear to himself” (Smith, 2002: 213). This is the reason behind the disappointment of the poor man's son. His sympathy moves a desire in him to acquire what the wealthy people have. However, he does not feel content at the end of this process.

Smith does not view the growth of wealth as an end in itself when it comes to both private and public life. Through this example, he claims “In ease of body and peace of mind, all the different ranks of life are nearly upon a level, and the beggar, who suns himself by the side of the highway, possess that security which kings are fighting for” (Smith, 2002: 216). All constitutions of government, however, are valued only in proportion as they tend to promote the happiness of those who live under them” (Smith, 2002). Smith criticizes valuing any means instead of this end in some systems (Smith, 2002). I think this passage also explains why he is viewed as a consequentialist.

He uses the allegory of a machine to describe a good government. If the different pieces move harmoniously (he uses the example of police and trade frequently), we have a good system (Smith, 2002: 218). Being “better lodged, [...] better clothed, [...] better fed” does not mean much without explaining “their general subserviency to the happiness of the society” (Smith, 2002: 217-8). So, what Smith has in mind is a system that can promote the happiness of society that does not take economic growth or accumulation of wealth as an end in itself. He clearly states in several passages that these things might not

necessarily follow each other, especially in private cases. This explains why there is a strong connection between moral and economic theories in his philosophy.

### 1.3. David Hume's Views on Luxury Consumption

Luxury consumption was a topic that interested several philosophers of the 18th century, including David Hume. The discourse around luxury consisted of both moral and economic arguments. In this section, I will break down Hume and Wollstonecraft's views on luxury to illustrate the connection of morality and economics in their philosophy.

Hume thinks luxury consumption is a nuanced subject that can be “taken in a good as well as in a bad sense” (Hume, 1994: 105). He acknowledges that other views tend to take it as “highly advantageous to society” or “as the source of all corruptions” (Hume, 1994: 106). Hume aims to develop a more nuanced view by analyzing it as related to refinement in the arts, its effect on private and public life, as well as its effects on society and the economy. I will only focus on his views that relate to the economy directly.

To explain the nuance, he refers to history and economics throughout several essays *Of Commerce*, *Of refinement in the arts*, and *Of money*. The reason behind his reference to luxury in several topics is Hume thinks luxury consumption comes into the scene with some refinement in the arts, and luxury is strongly correlated with exported goods. When a type of art is refined enough, this good is also sold to other towns and nations. This refined economic good is consumed as a luxury good (Hume, 1994). His explanation on exchange builds on this idea. Necessities are bought and sold within the local economy whereas the rest of the income (of the landlord in this example) “he disposes of for money to the neighboring town, whence he draws the few materials of his expense and luxury” (Hume, 1994: 122).

Luxury consumption draws “more exchange and commerce of all kinds, and more money enters into that exchange. The tradesmen will not be paid in corn; because they want something more than barely to eat” (Hume, 1994: 122). This monetary exchange, without excess, is beneficial because the relevant goods are “*storehouse of labour*” (Hume, 1994: 108) and luxury consumption “nourishes commerce and industry, the peasants, by a proper cultivation of the land, become rich and independent; while the

tradesmen and merchants acquire a share of the property, and draw authority and consideration to that middling rank of men, who are the best and firmest basis of public liberty" (Hume, 1994: 112). So, it prevents wealth accumulation and disposes of it through different classes, benefiting political life (popular governments) and creating happier societies (Hume, 1994: 114).

He thinks there is a stark difference between societies in which arts are refined and others. He argues that commerce can be named as the factor behind the political power of some ancient states, and he uses the example of Sparta to support his argument (Hume, 1994). However, its excess can "instead of [giving] strength to the public, will serve only to thin its armies, and diminish its authority among the neighboring nations" (Hume, 1994: 94-5). His argument is more moderate than some of his contemporaries. He thinks that vicious luxury can be harmful and should not be promoted by policy to mask some other vices such as "indolence, selfishness, inattention to others" (Hume, 1994: 114).

So, his point is not luxury consumption or vices related to this are always good. However, disposing of luxury altogether is not helpful since it is "preferable to sloth and idleness, which would commonly succeed in its place, and are more hurtful both to private persons and to the public" (Hume, 1994: 114). To conclude, Hume develops conditional support for luxury: in cases, it can achieve the distribution of wealth among different classes and promote commerce; it can lead to beneficial results, as he points out through history. However, its excess can be detrimental to society, and he argues that the conditions he points out should be kept in mind while discussing the issue of luxury.

#### 1.4. Sophie de Grouchy's *Letters on Sympathy*

Sophie de Grouchy's *Letters on Sympathy* follows a similar pattern to *TMS*. It can be said that this is unsurprising since it is written on *TMS* as its commentary; however, de Grouchy digs deeper in terms of understanding the source of our moral sentiments and she draws social conclusions that Smith does not in *TMS*.

She discusses the extent of our sympathy in many different cases and argues that "sympathy exists even when it is stifled by personal interests" (Grouchy, 2019: 98). With

this natural sentiment, and with the help of abilities such as memory, reflection, and fear of causing someone harm, we “acquire moral goodness and beauty, and from this is born the idea of virtue- that is of actions that give others pleasure in a way that is sanctioned by reason” (Grouchy, 2019: 110).

What Grouchy illustrates through this analysis is a moral agent who starts with a natural sentiment but is able to reflect on their own actions through reason and arrives at the ideas of virtue and vice. Since she argues “[t]he human moral constitution is neither evil nor corrupt, nor even indifferent, because it carries within itself a general reason for doing good and no reasons for doing evil,” (Grouchy, 2019: 127) the social constitution that people are educated and socialized in becomes an important area of discussion in the later letters. As pointed out before, the argumentation structure is similar to Smith’s; however, de Grouchy’s philosophy contains more radical claims about the moral constitution; and as an extension, the social constitution becomes an even bigger issue according to her framework.

On this ground, she builds a moral discussion that cuts through economic structure. In Letter VII she traces the four motivations for injustice as (1) “love’s passion”, (2) “enticement of money”, (3) “desire for ambition”, and (4) “incentive of self-love” (Grouchy, 2019: 133). Love is the separate one since it has no relation to money according to de Grouchy, and self-love is generally the cause behind (2) and (3) (Grouchy, 2019). She traces how these impulses can be possible since she does not take them inevitable in human moral constitution.

The desire for money can be caused by someone's real lack of material needs; when that is the case, the desire or vices such as theft are either caused by insufficient wages, unequal distribution of tax burden, or faulty economic policies that disadvantage the poor (Grouchy, 2019: 134). This vice, if rooted in the need for money, is not a personal failure in terms of morals but a societal one. The second possibility de Grouchy discusses does not come from need but rather an ambition for upward mobility. However, “the incentive to behave unjustly for the sake of wealth acquisition presupposes the possibility that one might succeed” (Grouchy, 2019: 135).

The theft caused by vanity and ambition can only happen in societies where theft can be a feasible way to acquire wealth. Since pleasure and pain are related to virtue and vice, or justice and injustice are “always made greater through a comparison with a near and different state” (Grouchy, 2019: 142), if society views those vices as excusable, the pain caused by these injustices will not be felt properly. So, the second motivation for theft is not a personal shortcoming of a person’s moral character either. This form is also a social failure. She concludes that theft is not an injustice that can happen in societies without significant wealth discrepancies, unjust laws, and bad economic policies.

She argues if we overcome extreme inequality between the rich and the poor, the injustices that take place will become uncommon (Grouchy, 2019: 150-1). This example illustrates the relation between her arguments about the human moral constitution and economy. These two areas follow from each other and determine each other in crucial ways. Without her explanation on sympathy or her framework about human moral constitution as not necessarily good or evil, her later argument in the book that explores the motivations for injustice. Her idea of injustice, in the form of theft contains analysis of the causes of the vice as well as suitable economic structure and public policy that are needed to solve the problem.

### 1.5.A Historical Explanation of The Split

The reconstruction of these arguments demonstrates the relevancy of discussions on human nature and social structures in political economy in the eighteenth century. I will discuss the early developments in the discipline to explain how management-focused works became increasingly prominent. I argue that there is no point in time that we can pinpoint the occurrence of the split. The early works on economics consisted of concerns about both moral and engineering branches. However, there was a suitable foundation for economics to become increasingly management focused. Starting with Smith, the argument that economic development can be a useful tool to achieve better society both morally and politically was being formed (Schliesser, 2020).

Considering this, I argue this connection between economic and social development became an important reason behind the split. For this part, I refer to Smith and Jeremy

Bentham's arguments on public utility. With this justification in the background, empirical methods that abstracted economics from its historical and social context were developed. To explain how this development was another turning point, I focus on the contribution of David Ricardo's method and the marginalist revolution. Still, the works that tried to put economics into a historical and social context were produced alongside with these developments. However, the management focused branch of economics, or the engineering side of it as Amartya Sen names, became the purely scientific side of the field.

When we trace back the reason for the split, we can see some ideas came from the early works of political economy. One important idea that persisted is that economic development can lead societies to have moral development or that economic development can lead to better societies. Smith was actively engaged in the economic discussions that cut through moral and political philosophy. He wrote about the problems of Great Britain, such as the Irish massacre, the unrest in American colonies, and slavery (Schliesser, 2020). As much as he was opposed to European colonialism and related it to the mercantile spirit, he argued that "in the progress of economic development, there will be many more opportunities not just for liberality, but for avoiding immoral behavior (less infanticide, less slavery, better treatment of the aged and infirm, etc.)" (Schliesser, 2020: 166). So, his belief about the connection was not an abstract one that disregarded historical and social context of economic policies. The idea that economic development and social development are connected can also be found in later philosophers. Jeremy Bentham wrote about his theory of utilitarianism and on the field of economics around late 1700s and early 1800s.

Considering that *Wealth of Nations* was first published in 1776, Bentham's works coincide with Smith's chronologically. Bentham, as the father of utilitarianism, did not separate his utilitarian approach from his works on economics. He argued there was a strong connection between production of wealth and utility for the public. He considered creating the maximum happiness to be "promoted by the production of the maximum of

wealth and the maximum of population" (Stark & Bentham, 2004).<sup>5</sup> Arguing that economic growth is the necessary condition for creating welfare for the whole public made the goal of economic growth both economically and morally desirable from very early on.

An important argument that explains how production of wealth can produce public utility is the trickle-down effect. The argument relies on the assumption that wealth will find a way to be distributed to whole public even if it is accumulated in the hands of the few. As explained before, we can trace this argument back to Smith's contemporary Hume. He develops this argument in his treatment of luxury consumption. He argues that although its excess can be a moral problem, and cause economic problems in some cases, it is not bad in itself since luxury consumption diffuse money to the artisans from the hands of the wealthy (Hume, 1994).

With the arguments on public utility in the background David Ricardo occurred as an important early figure. He was a reader of Smith and was influenced by *Wealth of Nations*. His contribution is important not only due to Smith's influence on him but also his objective to "build an analytical construction squared with an axe, excluding from analysis anything considered not directly relevant to the problem at hand" (Roncaglia, 2017: 96). He analyzed economics through different social classes and produced economic theories and possible policies to achieve a well-functioning economy (Roncaglia, 2017). Ricardo's main work *On the Principles of Political Economy, and Taxation* published in 1817 and his heritage in the literature reflect his non-historical approach. His method as well as his arguments influenced later economists (Roncaglia, 2017). So, as early as the nineteenth century, a call for a more analytical framework began to emerge. Some later methodological contributions made this easier to exercise such as methodological individualism. Ricardo's work proved that economics can be a field where analytical methods are used, and there was no necessity to have a historical and contextual approach.

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<sup>5</sup> In the following chapter, it is explained that economic growth is still understood through creating more wealth and a larger population with reference to Thomas Piketty's *Capital in the Twenty First Century*.

After the classical economists such as Smith and Ricardo, the marginalists emerged. The marginalist revolution in economics is generally treated as having a protoform long before it can be considered as having a mainstream place in economics. Some mercantilists are considered proto-marginalists, and marginalism started its formation in the early nineteenth century. However, its impact on the discipline generally covers a historical period that started in the late nineteenth century, with its influence growing in the twentieth century. One main difference between marginalist tradition and classical theory is their methodological individualism.<sup>6</sup>

While Smith and Ricardo focused on different classes in society and their economic interactions, marginalists started their economic analyses from the individual to explain and theorize social and economic relations (Kurz, 2017: 58). Two of their crucial contributions are marginal utility and marginal productivity. Marginal utility reflects their focus on the individual, whereas marginal productivity reflects the calculations that used the *ceteris paribus* assumption, which became prominent in economics among the marginalists (Kurz, 2017: 63). These developments reflect the process of economics becoming more abstract in terms of its analysis tools. Now, it could be studied without regarding the social strata and their way of interacting for economic production and exchange.

Although it looks like the period after Smith gave birth to methodological individualism and analytical approaches that disregarded Smith and Grouchy's social and historical analyses, some works adapted their frameworks. Many thinkers considered economics a social issue well into the twentieth century. Literatures on utilitarianism, welfare economics, and socialist and Marxist economics reflect that. However, from a point of view that economics can explain its subject matter without going into discussions about the historical and social contingencies was also established within the discipline. From this perspective, discussing moral and political aspects, such as Smith, Grouchy and Hume, could even be considered counterproductive and unnecessary. Since argumentatively, economic development or growth seems to promote the happiness of

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<sup>6</sup> This analysis is attributed to Joseph A. Schumpeter in Heinz D. Kurz, *Economic Thought: A Brief History* (New York, Columbia University Press, 2017).

the whole society, strictly regulating it unless it causes significant problems that need regulation at the moment is not for the benefit of the public either.

The public utility argument justifies separating the moral branch from the engineering side and deems it unnecessary to focus on topics other than empirical, and purely scientific endeavor. However, the public utility argument was simply too large to empirically test for a long time (Piketty, 2014). The patterns of accumulation and understanding the limit of relationship between economic development and public utility is still being questioned. Thus, the processes that created economic growth and their effect on public utility was discarded in this empirical branch which did not serve the underlying justification for its continuation.

If economic development can be seen as unquestionably good, figuring out the best ways to achieve that development becomes the primary question. Doing good for the public is not an essential moral question that needs to be separated and discussed in the economics literature since the outcome will inevitably lead to public utility. Similarly, the technical discussions for achieving this development do not concern moral or political philosophy, aside from the foundational questions such as private property or one's right to one's own labor, etc., within this framework. So, the split happened due to two reasons: the theoretical justification that connects economic and social development, and the development of suitable methods that could abstract economics from its historical and social context.

## CHAPTER 2

### CONTEMPORARY PROBLEMATIZATIONS OF THE SPLIT

This chapter will focus on contemporary analyses of the split between economics and morality through discussions on moral sentiments and distributive justice. These discussions refer to various questions within moral philosophy, such as how moral sentiments are shaped and maintained, what type of sentiments we strive for within social structures, and what we can do to shape a more just society. The discussion inevitably ends up having implications for a foundation for political philosophy.

Thomas Piketty argues that most contemporary studies on economics do not focus on economic problems at all. The generally accepted framework is highly mathematical; theoretical studies do not always aim to explain the economic relations and facts from real-life economic interactions, and there has been little focus on historical data in the field since Simon Kuznets.<sup>7</sup> Piketty's work *Capital in the Twenty-First Century* is mainly a call to the discipline "to get over its childish passion for mathematics and for purely theoretical and often highly ideological speculation, at the expense of historical research and collaboration with the other sciences" (Piketty, 2014: 38).

When we contextualize economics regarding its effect on individuals' behaviors, we arrive at morally relevant questions about the relation between these two fields. Thus,

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<sup>7</sup> Piketty refers to Kuznets as the last person who worked on economics through collecting and analyzing historical data in *Capital in the Twenty First Century* (p. 38). His work standardized the calculation of gross national product which contributed to the empirical methods of economics. He received a Nobel prize for his work and continued to work on the relationship between economic growth and inequality. Kuznets curve reflects his work on this relation. Piketty argues against Kuznets work; however, he refers to Kuznets since he is the last person who worked with historical data to understand the relation between economic growth and inequality.

the historical or social patterns regarding economic policies, distributive issues, and wealth disparity make us consider the relationship between economics and political philosophy. The first two sections of this chapter discuss these themes respectively.

First, I will examine the place of moral sentiments in economic relations and the interaction between morality. I will refer to Samuel Bowles' work on behavioral economics for this examination. Bowles's work builds an empirical parallel to Grouchy's philosophical work. Through this parallel, I will discuss the relevant problems for political philosophy, focusing on distributive justice. In this part, whether economics has an internal mechanism to ensure distributive justice or at least a more just social reality becomes an important question. To present this discussion, I will mainly refer to Ingrid Robeyns's work on *limitarianism*. The final part will be composed of my argument in response to those I discussed. I will present a two-fold discussion on this view analyzing the public utility argument and its consequences in the first part, and arguing the connection between morality and economics is inherent in the second part.

## 1. Reciprocal Relationship between Economic and Moral Sentiments

Samuel Bowles<sup>8</sup> questions whether a moral economy is possible through empirical analysis of our economic behavior. As explained in the previous chapter, the framework that makes *homo economicus* possible is self-aware of the fact that this is an oversimplification of the social agent that partakes in economic activities. Smith, Grouchy and Hume do not only frame the foundation of political economy through theories and definitions of *homo economicus*. They also focus on social and economic affairs in their works. Because other concepts that cannot be understood through *homo economicus*, such as sympathy and morality are crucial in their works to understand political economy.

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<sup>8</sup> Samuel Bowles is an American economist who is interested in topics such as economic behavior, altruism, poverty, and inequality. The work that is referred in this chapter is his 2016 book *The Moral Economy: Why Good Incentives Are No Substitute for Good Citizens*. This book composes different experiments and cases that analyze the behaviors of economic agents in the face of different practices and policies. The main argument of the book is our understanding of good citizens do not coincide with the definition of economic agent. Therefore, we need to be more careful about what type of behavior we are promoting with public and economic policies.

Although different characterizations are used simultaneously in these works or scattered among different works of these philosophers<sup>9</sup>; the contemporary characterization of economic agents works through a rigid definition. In addition, even in cases that view economics as a political issue, keeping the domains of politics and morality is a widespread commitment. This commitment is because applying a specific idea of a morally good life to a society conflicts with the aim of political philosophy, which tries to ensure plural worldviews are able to exist together.

This is called the “discontinuity thesis” (Hess, 2024: 14) or principle of “liberal neutrality” (Bowles, 2016: 117) and generally aims to preserve the agency of the citizens. While moral philosophy aims to achieve the principles of a morally good life, according to this idea, political philosophy should aim to ensure a social foundation that will not limit the freedom and agency of people that compose the society. Since the aims of these areas differ, principles established in one of these areas do not necessarily apply to each other. My aim is not to undermine the defined aims. However, per Grouchy and Bowles, I aim to discuss whether moral considerations can lead us to a social arrangement where moral commitments are not undermined but can flourish.

In his book *The Moral Economy: Why Good Incentives Are No Substitute for Good Citizens*, Bowles aims to understand whether we can produce public policies that aim to work with economic incentives rather than moral ones and create a well-functioning society. Economic incentives are related to cost-benefit analysis. On this rational ground, every agent acts according to their own gain, including compliant behavior to altruistic policies. Agents who comply with paying taxes for accessible healthcare will act through economic incentives if they do so because they believe that accessible healthcare is a gain for them, too.

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<sup>9</sup> For example, Adam Smith’s *Theory of Moral Sentiments* and his political views do not characterize people as mainly self-interested agents while the *Wealth of Nations* primarily focus on homo economicus. Sophie de Grouchy delves into economic and distributive discussions in the same work she discusses the foundational feelings of human’s moral sentiments. David Hume characterizes people as self-interested agents alongside his moral theory and whether intervention might be necessary for a more just social order in his essays on economy.

On the other hand, moral incentives are related to one's understanding of moral obligations and deontological assessments. An agent complying with paying taxes for accessible healthcare even though they do not plan on using public hospitals would be an example of an agent acting following their moral incentives. Economic behavior does not necessarily only contain economic incentives. For example, choosing to buy from a local business or boycotting a brand might not be the best economic option for an agent. However, they might choose to do so because of their moral beliefs.

Bowles uses empirical studies to illustrate that economic incentives might not always work as well as moral ones in terms of shaping public policy and behavior:

“In Haifa, at six day care centers, a fine was imposed on parents who were late in picking up their children at the end of the day. It did not work. Parents responded to the fine by doubling the fraction of time they arrived late”(Gneezy & Rustichini 2000 as cited in Bowles, 2016). Bowles argues the reason behind this behavior is because of “a kind of negative synergy between economic incentives and moral behavior. Placing a price on lateness, as if putting it up for sale, seems to have undermined the parents’ sense of ethical obligation [...]” (Bowles, 2016: 15).

This means that economic incentives do not work as efficiently as moral incentives, even in terms of inducing economically desirable behavior. In the daycare center case, economically desirable behavior is being on time since being late means extra working time for the daycare center employees. The parents, as the buyers of this service, fail their part of the economic contract that surrounds the transaction by consuming extra time they did not pay for. However, when they can buy that time, their sense of moral obligation weakens, and even more time can be purchasable in the transaction.

Both Smith and Grouchy argue that human agents cannot be explained only through their motivation of economic gain or self-interest. They investigated concepts such as sympathy that make them share an understanding towards each other. Smith openly rejected that this feeling is completely detached from what we would call self-love and acts as the determining factor of our social constitution. Thus, Grouchy also thinks

sympathy exists even in cases that are against our self-interest and act as the foundation of virtues. The vices that create an unjust society related to the economy, such as theft and vanity, can be weakened by solving extreme economic inequality (Grouchy, 2019).

Even when we try to remove such sentiments and moral incentives from public policy to rely on the capability of rational calculation of the homo economicus, the desired and well-functioning economic interaction might not occur according to empirical experiments in behavioral economics. This problem occurs because we do not acknowledge the inherent relationship between economics and morality. Economics is ontologically dependent on social structure and social conventions. Like any other social interaction, the actions economic activity contains are also problems of morality as well as economics. Since the relationship is inherent, just as our moral beliefs can affect our economic activity, economic activity also affects our moral beliefs.

Grouchy hints at this relationship through the fact that the pain we feel in the face of injustice can be affected by how often we see similar transgressions, as explained in Chapter 1. Theft will not cause moral pain in a society where it frequently leads to higher rank or status. We can view the time of daycare employees as purchasable if it becomes an entity that enters monetary exchange in Bowles' example. Thus, "a picture of a needy girl induced more charitable giving than did statistics on need" in an experiment (Small, Loewenstein, and Slovic as cited in Bowles, 2016: 81). Although this does not give a conclusive idea, it can still be said that moral motivation does not always come from economic deliberations.

The implications of these arguments are interesting for morality since economic facts about poverty and its inevitability might translate into a deontological argument but might not translate into action or provide moral motivation. This is a general problem for moral theory. However, the interesting part of Bowles' argument is the difficulty of translating the motivations of homo economicus (an agent that is motivated by self-interest and cost-benefit analysis) to a moral agent. Economic activity as a social transaction does not occur within a confined moral space where norms are different. Rather, what we see as acceptable in this domain affects other social deliberations and directly moral ones.

At this point, I want to refer back to the reason for this connection. In the Introduction part, I argued that morality is not only instrumentally related to economics. Any good that enters the economic transaction (whether a product, a service etc.) necessarily enters a social domain. The economic goods require human labor. Natural artifacts such as air and water might have economically beneficial use values to satisfy human needs. However, these artifacts need human labor in the first place to enter an economic exchange, whether this labor is used in packaging, transporting from one place where this natural artifact is abundant to another one where it is scarce, or simply economic bargaining. This social aspect is inherent to any economic good's exchange value.

Although the dichotomy between use-value and exchange value of artifacts comes from and frequently used in Marxist terminology, the distinction can be traced back to the first works of political economy. Adam Smith acknowledges that some of the most essential things to human life are free and do not have any exchange value. In contrast, some material goods might have little to no use value but have enormous economic exchange value to the economic agent. Since, in its most basic form, economic transaction necessitates the exchange of a product that is partially created by human labor, it is a concern of social and moral philosophy directly rather than instrumentally.

This inherent connection does not only have theoretical implications, but it also has practical ones, and experiments and case studies that Bowles refers to discuss the practical implications empirically confirm this connection. Still, the question posed by the discontinuity thesis or the principle of liberal neutrality remains. Moral principles do not necessarily follow into political ones. Whether we consider economics as a part of the moral domain or approach it within political philosophy and consider it as political economy, the distinctness of these domains is a problem for a *moral economy*.

## 2. Political Problems Regarding Economics

Since Sophie de Grouchy's account of sympathy provided a ground to establish the link between economics and morality, in order to understand its relevancy for the political philosophy we should turn to Iris Marion Young. Young's definition, which focuses on the problems of "distributive issues of material goods or positions and opportunities"

(Young, 2001: 3) is helpful in terms of understanding the relationship. In addition to the effect economics has on the individuals, as Grouchy and Bowles explain, policies can have certain effects on different groups of people. Young points out that using group categories can help us understand the structural challenges that people face (Young, 2001: 2). Social structures such as social institutions and systems determine the chances and outcomes for the individuals according to their membership in certain social groups (Young, 2001).

Young recognizes that not all injustices can be explained through social groups. There are cases that concern individual rights and liberties. We have a literature on equality of individuals and have theories that explain the effects of economics on the individual level. However, the claims about equality require comparison between different social groups. The comparison is needed since it reveals the access of people to resources and opportunities (Young, 2001: 7-8). The problems relevant to economics, especially the class divide is relevant to political philosophy. In this section, I will discuss its relevancy through Piketty and Robeyns' arguments.

Piketty explains the term growth through two concepts: population growth and economic growth. Economic growth is generally recognized as a regulating factor in distributive issues. Since it is possible to acquire wealth in times of economic growth, it is considered that allows upward mobility more than economic stagnation (Piketty, 2014: 92). This is why Piketty compares the rate of return on capital to the economic growth rate across several centuries to reveal the economic trend. He establishes that from 1975 to 2010, "capital's share of income increased in most rich countries" (Piketty, 2014: 193).

Piketty's work illustrates that our understanding of public utility is strongly related to economic growth. Economic growth comprises two components: "population growth and per capita output growth" (Piketty, 2014: 73). These two components, when ensured, can act as an equalizing factor. If the population is growing, earning and saving through individual effort becomes necessary since inherited wealth does not ensure complete safety (Piketty, 2014). Per capita output growth, or shortly economic growth, means

what can be inherited from the previous generations does not mean much advantage over the newly accumulated wealth through individual effort (Piketty, 2014).

In societies these two growths are not ensured, the generational wealth becomes more important than any other factor. Piketty argues that the twenty-first century will be a low-growth period since population growth is not as high as it was before, and there are no signs that there will be a productivity boost that will ensure economic growth. His argument relies on empirical data, economic trends, and the unpredictability of population and productivity boosts. Since we do not have a solid ground to assume there will be an economic boost, we need to organize economic policies to ensure everyone's utility. Thus, this would require shaping policies that would prevent generational wealth from becoming increasingly important vis-à-vis labor.

Robeyns draws on Piketty's work to provide a ground for *Limitarianism*. The class divide and existence of and high returns of capital do not attract attention as long as the lower and middle classes do not suffer from the economic policies. Since we do not generally see the material conditions of the super-rich, it is hard to understand the problem unless other classes are also affected negatively by this accumulation of wealth (Robeyns, 2024: 49).

She argues that it is not morally or politically permissible for the super-rich to exist. Limitarianism is proposed considering three thresholds: the riches line (when more money does not significantly increase the person's living standards), the ethical limit (maximum amount of money that can be accumulated through ethical ways), and the political limit (politically permissible limit according to policies and institutions) (Robeyns, 2024). This quote explains how these three thresholds are important:

“There is the upper limit above which a fortune starts to become utterly wasteful, since it could be better used to rectify climate-related injustice and to meet urgent human needs. There is the upper limit that political equality demands. The upper limit that reflects what we know about the incentives that inspire very productive people to keep contributing to the economy” (Robeyns, 2024: 34).

She argues that generational wealth of the super-rich generally is accumulated through morally impermissible means and considering the fact that “[m]ore than half of current wealth derives from an inheritance (or a series of inheritances as the dynastic super-rich prefer to see it” this amount of wealth should not exist in the first place. I want to focus more on the political arguments she presents since these fit in with the idea that we should consider groups when we are talking about equality.

One of the problems she explains in detail is that the existence of extreme wealth leads to mechanisms that keep the poor in poverty. Seemingly, there is a concern for the general public utility and the idea that wealth will trickle down. Robeyns problematizes the idea of public utility through empirical studies. When we do not take economic inequality as a concern but only focus on poverty, we do not develop the necessary mechanisms to prevent either of these problems. Thus, we have a complicated picture when we use more contemporary approaches to understand whether wealth really trickles down.

One of the ways we can approach the problem of the trickle-down effect is by basing our economic analyses on how much people spend rather than how much they earn. This allows us to understand how much the general public could satisfy their basic material needs rather than focusing on accumulation. If we base our analyses within this frame, two important empirical conclusions occur: (1) poverty rates were lower in pre-colonial times for India, and (2) current poverty “makes for a standard living lower than that of enslaved people in the US in the nineteenth century” (Robeyns, 2024: 40).

Another crucial political concern Robeyns raises rely on the mechanisms that extreme wealth hurts democracy. Economic power can transform itself into political power, and the existence of extreme wealth makes politics and public policy less democratic. Simultaneously developing policies that the super-rich can exempt themselves from taxation and providing them opportunities such as golden visas or golden passports is one example. With a large donation, getting permanent residency or citizenship is possible in some countries. This practice commercializes those countries' citizenship and favors the rich with stronger passports, the ability to move their financial assets to secure them, or to cover up criminal activity (Robeyns, 2024).

Dividing the political membership to a country among different economic classes “undermines the principle of political equality” (Robeyns, 2024: 92). Lower-class people have to deal with the processes of immigration or prove their living situation is dangerous with solid evidence even in the cases they seek refuge, and the possibility of rejection is always on the table for them. However, the super-rich can simply choose to buy golden visas or golden passports for personal gains or comfort.

Another argument she raises is the power to shape public discourse, which comes with a large amount of wealth. The super-rich can afford to make large political donations to parties and politicians. There are cases known to the public that such actions shape political discourse. One example Robeyns gives is the proposal to the Dutch parliament for “favorable treatment to companies as part of Dutch inheritance law” in 2021 after a large donation from a businessman to a political party in the parliament (Robeyns, 2024: 96).

This hurts democracies since the political discourse can be shaped by the interests of the ones who can make large donations rather than the demands of the general public. Such mechanisms also tend to affect the issues that interest the public as a whole such as taxes on wealth, inheritance, and policies on climate change. Although “belonging to the top 1 or 10 percent of the income distribution in a country is a better predictor of high emissions per person” (Robeyns, 2024: 112). than other factors such a geography, this minority has the power to avoid the burdens of carbon emissions. The result falls onto the whole society rather than the polluters with the political power wealth provides.

Why does Robeyns consider limiting wealth as the ultimate solution for these political problems caused by a deep class divide? She considers other possible solutions, such as developing policies to tax the consumption of the super-rich that leads to high carbon emissions and limiting private donations they can make to political parties and politicians. However, she argues that the existence of extreme wealth means that there can be new ways to trigger the exact mechanisms differently (Robeyns, 2024).

Even if there are fundamental changes such as the policies mentioned above, the carbon emissions come not only from individuals' consumption but also from the investments

and activities of the super-rich through corporations such as oil companies. Large donations are also provided to climate-denial organizations through persons and corporations of carbon-intense industries. Funding think tanks and scientific research can be used to change the outcome of research on such matters and shape the scientific and public discourse in favor of the policies that the super-rich benefit from. All such possible cases can be prevented by limiting the existence of extreme wealth, and its existence is the reason that these problems can exist in the first place (Robeyns, 2024).

### 3. Can We Justify the Split?

One strong justification for the split would come from the reason behind its occurrence. If we can correctly understand the economic forces and strengthen the economy, the whole public will share the benefit. This appeals to the public utility concern of the early economists. It is also known as the “win-win situation” as Robeyns refers to. The trickle-down effect traced back to Hume in the previous chapter is also a big part of this narrative.

In general, the idea is that public utility will be achieved through economic development or growth because growth creates welfare for everyone. If that is the case, studying economics on its own can be justified since the work of economists is to ensure that knowledge is created that can lead to public utility. The skepticism about the future of this growth-based model is discussed earlier. However, I will present another argument in this section against the justification of split through public utility claim.

I will present a two-fold argument against the explained justification of the split. The argument on public utility is a consequential one. If the consequence it aims to achieve is not achievable, then the underlying moral and political justification does not exist. The first part of my argument will be about this consequential structure. If the public utility argument does not ensure public utility, adding a moral and political outlook would be justified. I will raise two points for this part of the discussion: (1) The public utility argument only works in cases with a growing economy, and it is unclear whether we can or want to ensure indefinite economic growth. (2) The public utility argument might be

the very reason behind the poor living conditions of some people since it prevents the development of mechanisms that can ensure the utility of everyone.

For the second part of the discussion, I will argue that even if the consequential argument on public utility can work, economic matters are inherently social. So, discussing them and developing economic policies within a social context would still be justified. Thus, even if public utility can be ensured in the long run, economic policies might consist of immoral or unwanted practices. In those cases, the public utility itself cannot justify the split. For this view, I will raise two additional points: (3) There might be other alternatives the public demand instead of the utility that would come from economic growth, and (4) economic matters are inherently social. Since they are within the domain of moral and political philosophy, approaching them with this framework is justified and necessary to define what public utility is in the first place.

As mentioned before, the first part of my argument will focus on the public utility claim. The public utility the post-split economics aim to achieve is based on economic growth. When there is growth, society achieves economic prosperity, and regardless of the distributive issues, this prosperity benefits everyone. As explained in the previous sections, inherited wealth loses some of its significance in a growing economy. It also becomes a requirement for everyone to partake in economic production to ensure their living standards. Thus, growth provides a more suitable environment for upward mobility (Piketty, 2014). This means we have a conditional mechanism at hand. If it can be argued that economic growth is not always sustainable or an achievable goal, this argument does not work.

As explained before, Piketty analyzes economic growth into its two equally unpredictable components: “population growth and per capita output growth” (Piketty, 2014). Per capita output growth heavily relies on growing the economy through production and consumption cycles. Although the emphasis on unpredictability is important, this model is predictably unsustainable due to natural constraints. An ever-growing economy that does not affect the environment is impossible since economic production relies on natural resources. The environmental impact of this economic strategy will affect the public.

Recent literature on degrowth reflects this concern. The main problem with the model of an ever-growing economy is its burden on the environment. It requires keeping the production and consumption rates high enough to maintain growth. While doing that, we continue to use natural resources and produce more waste for the environment at high speed. Even if we can keep this cycle going, our living conditions will reflect the burden on the environment. Economic growth does not necessarily mean better living conditions for everyone. Even in cases where income and production are higher than in other countries or regions, there may be no significant improvement in people's lives. After a threshold, higher GDP per capita does not translate into longer life expectancy.<sup>10</sup> Thus, more income does not directly ensure less infant mortality compared to countries with better healthcare policies.<sup>11</sup>

Another important requirement of an ever-growing economy is keeping the working hours long for everyone. Since we know that welfare for developing economies is not entirely ensured by keeping the economy growing, this aspect becomes a needed discussion. Early economists believed that economic growth could lead us to better living conditions. The environmental damage and keeping the workers' productivity high put considerable constraints on people's standard of well-being; it is not clear how this process can lead to a public utility. So, there are multiple factors to consider. Some economists expect a low growth period, and the relationship between economic development and better living conditions for the public does not continue to exist after a threshold. Thus, the possible impacts of environmental damage mean the consequential argument does not lead to the consequences it aims to achieve.

The second point I want to raise is the possibility of the public utility argument preventing the measures that can ensure the public utility in the first place. The belief that economic development will find a way to be translated into public utility can prevent the mechanisms that can be shaped to achieve it. Robeyns's arguments and examples discussed in the previous section illustrate how wealth accumulation prevents better policies for everyone from being implemented.

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<sup>10</sup> See the United Nations Development Program's report as cited in Jackson (2009): 56.

<sup>11</sup> See the United Nations Development Program's report as cited in Jackson (2009): 57-8.

In addition to preventing such mechanisms by accumulated wealth, the empirical studies illustrate that it is much harder to mobilize upwards in the current economic climate. It is harder for people in the USA to earn more than their parents did, so upward mobility is harder for them to achieve.<sup>12</sup> The little to no chance of upward mobility is combined with the toll on the environment and people in the current climate. Considering these, questioning why we cannot take policies that take alternatives, such as distributive arrangements, to the center of our focus becomes important. In addition to distributive issues, the expectance of the public from public utility does not have to rely on economic growth either. As mentioned before, public policies play a bigger role than economic prosperity in enhancing people's living conditions after a threshold.

According to the empirical studies conducted by Piketty, wealth does not trickle down (Piketty, 2014). Robeyns explains the reason through mechanisms that enable the wealthy to avoid paying taxes or reporting the scope of their wealth, such as using offshore accounts, selling property within their own families to avoid paying inheritance tax, etc. (Robeyns, 2024). Is it not possible to view these distributive issues as moral or political problems? I think the goal of economic growth and the belief that it is good for everyone is the reason behind the permissibility of the accumulation in the first place. It is the driving force behind ignoring the environmental costs that will burden the next generations. So, the narrative that everyone is winning is a good reason for not questioning distributive justice if we take economics out of its moral and political context.

The second part of my argument relies on the inherent connection between economics, morality, and politics. Within this frame, the third issue I want to raise is the possibility that there might be other alternatives that the public might demand. Since economic growth does not affect everyone in the same way, why would people want to ensure economic growth? Distributive policies or other economic goals, such as *limitarianism* or *degrowth*, can be better alternatives for the public.

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<sup>12</sup> See <https://www.weforum.org/stories/2020/09/social-mobility-upwards-decline-usa-us-america-economics/>, 2020 for further information.

We see examples of cities that adopt a slow life and clean environment rather than bringing in new businesses and investments.<sup>13</sup> There might be alternatives other than ensuring economic growth, such as organizing physical spaces, creating third spaces, and building walkable communities that can decrease the cost of living due to less need for transportation. Such policy changes can create an environment that can increase well-being and prosperity without high levels of material investment. So, distributive discussions and creating policies that re-organize the living conditions without focusing on economic growth are possible.

The last issue I want to raise is that economic goods, transactions, and policies are social goods, transactions and policies in the first place. The possibility of questioning what is meant by public utility is caused by that. Grouchy's arguments about economic relations affecting the social domain and Bowles's empirical arguments also illustrate economic and social relations do not occur in different spheres of human life. I argue it is impossible to reduce any economic activity to a single person. If we are talking about production, it will involve other goods that are needed for the specific type of production taking place. Acquiring the necessary goods, different types of commodities, raw materials, or labor will involve a process of economic exchange. If we are talking about a service or care work, it will aim to benefit other people than the laborer, either a person or a community. I think this labor, regardless of if its paid or not still contains an exchange taking place between several social agents. The result of production, any type of commodity, has to get involved in an economic exchange. Any type of exchange between commodities, or a commodity and money, will involve at least two parties.

When we try to reduce any economic activity to its most basic level; we do not end up with a single moral agent. If one is not only producing by themselves using the things that they already have, with their own labor, just to survive on their own; so, if we are talking about a contemporary person living in a society, we cannot reduce their economic activities to one agent. We have at least two people at the most basic level who exchange two commodities (which can be material goods, services, or money). Thus, this characterization does not even take the already existing structures and social

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<sup>13</sup> For more information on Cittaslow Association see: <https://www.cittaslow.org/association>

conventions in place (such as the existence of money and trade) that make economic activities possible at all.

Any economic transaction takes place between social agents that live in a social structure shaped by moral and political commitments. Understanding economics in an analytical framework that takes social and moral context as irrelevant does not change the fact that economics continue to affect moral and political domains. Because of these reasons, it is possible that democratic discussions and processes might give rise to different definitions of public utility. It is not a coincidence that the demands about policies about the environment, education, and healthcare cuts through economic policies. Economic policies affect social goods and shape social reality for everyone involved. Since the consequentialist argument about public utility does not work without economic growth and does not necessarily coincide with policies that public demands at all cases illustrate the need to overcome the split.

In sum, the consequentialist argument on public utility does not work within the mechanism of ensuring people's well-being through creating economic prosperity. The claim that economic development will lead to desired moral and political outcomes prevents adapting a distributive agenda. Furthermore, public utility is a concept that needs to be defined through public deliberation. Simply creating growth does not necessarily lead to public utility, and other demands that does not require economic growth might be influential in its definition. Lastly, economics is inherently a moral and political issue. Adapting a contextual framework is needed both to be able to create an explanatory literature and policies that align with public interests.

I conclude that the public utility argument is both the justification behind the split and the reason we need to reconsider it. It was established as a link that can connect economic and social development through growth very early on, as explained in the first chapter of the thesis. However, it can be empirically and philosophically challenged. There are good reasons to argue that the connection cannot be established through current economic policies, and we need to change them to ensure that economics can create public utility.

The split between morality and economics was not the necessary and inevitable result of economics becoming a science. Eighteenth-century works on economics by Smith, Grouchy, and Hume consisted of historical and social discussions of the economic policies, and discussions of which policies might lead to better results in creating public utility. In addition, the discussions on the correct management techniques, which would be included in the engineering branch of the field, were also prominent. Contemporary works, which we discussed in this chapter, also raise questions that have moral and political motivations. Bowles, Robeyns, and Piketty utilize empirical data gathered within economics and combine them with moral and political concerns to understand the current state of affairs and develop ways to create public utility.

The connection between economic and social development in post-split economics is too broadly defined. It assumes that economic development will translate into public utility but does not explore the limits and implications of this relationship to the fullest extent. Such questions can be answered with research that aims to understand and test the connection. Research that aims to answer these questions necessarily includes moral and political concerns for the outcome of economic policies. In light of these discussions, I conclude that, against common assumptions that it does, the split does not provide fertile ground for economics. Instead, it limits the perspective of economic research. In order to reach this conclusion, I explored the ways in which moral and political theory can contribute to economic research. Especially when we consider the process of economics becoming a social science and the historical and social context economic research is produced in.

## CONCLUSION

Economics as a social science started to take shape in the eighteenth century. The works of that period discuss economics through its relation to moral and political questions. In time, methods for tackling questions about economics on an abstract and individual-focused framework became first accepted, then mainstream. In this thesis, I investigated how this split occurred and why most contemporary works on economics do not echo the framework or general concerns of eighteenth-century philosophers. I argued that the reason behind the split was the connection established between economic and social development early in the field of economics.

I asked what this connection was, how well it worked, or whether it could work without actively engaging moral and political concerns in economics. I showed that the argument that cited public utility to justify the connection does not work. It fails as a consequentialist argument because the consequences it aims to establish are not achieved. In addition, I argue that economics and morality are inherently connected fields. So, a framework abstracting economics from its context can not achieve the public utility it aims to create.

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