

Economics with a humanities face

By Gary Saul Morson and Morton Schapiro

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In a 2006 survey, American university professors were asked whether it was better to possess knowledge from numerous fields of study, or from just one. Among professors of psychology, 79% were enthusiastic about interdisciplinary learning, as were 73% of sociologists and 68% of historians. The least enthusiastic? Economists: only 42% surveyed said they agreed with the need to understand the world through a cross-disciplinary lens. As one observer put it bluntly: “Economists literally think they have nothing to learn from anyone else.”

In fact, economists would benefit greatly if they broadened their focus. Dealing as it does with human beings, economics has much to learn from the humanities. Not only could its models be more realistic and its predictions more accurate, but economic policies could be more effective and more just.

Whether one considers how to foster economic growth in diverse cultures, the moral questions raised when universities pursue self-interest at the expense of their students, or deeply personal issues concerning health care, marriage, and families, economic insights are necessary but insufficient. If those insights are all we consider, policies flounder and people suffer.

In their passion for mathematically-based explanations, economists have a hard time in at least three areas: accounting for culture, using narrative explanation, and addressing ethical issues that cannot be reduced to economic categories alone.

People are not organisms that are first made and then dipped in some culture, like Achilles in the river Styx. They are cultural beings from the outset. But, because culture cannot be rendered

in mathematical terms, economists typically embrace the idea of a pre-cultural humanness.

To understand people as cultural beings, one must tell stories about them. Human lives do not unfold in a predictable fashion the way Mars orbits the sun. Contingency, idiosyncrasy, and unforeseeable choices play an irreducible role. Life displays what might be called “narrativeness,” implying the need for explanation in terms of stories. And the best appreciation of this is to be found in novels, which may be considered not just a literary form, but also a distinct way of understanding the social world. Although the events that novels describe are fictional, the shape, sequence, and ramifications of those events is often the most accurate account we have of how lives unfold.

Finally, economics inevitably involves ethical questions that are not reducible to economics itself – or, for that matter, to any other social science. Economists often smuggle ethical concerns into their models with concepts like “fair” market price. But there are many ways to make these issues overt and open them to argument.

There is no better source of ethical insight than the novels of Tolstoy, Dostoevsky, George Eliot, Jane Austen, Henry James, and the other great realists. Their works distill the complexity of ethical questions that are too important to be safely entrusted to an overarching theory – questions that call for empathy and good judgment, which are developed through experience and cannot be formalized. To be sure, some theories of ethics may recommend empathy, but reading literature and identifying with characters involves extensive practice in placing oneself in others’ shoes. If one has not identified with

Anna Karenina, one has not really read *Anna Karenina*.

When you read a great novel and identify with its characters, you spend countless hours engaging with them – feeling from within what it is like to be someone else. You see the world from the perspective of a different social class, gender, religion, culture, sexual orientation, moral understanding, or other features that define and differentiate human experience. By living a character's life vicariously, you not only feel what she feels, but also reflect on those feelings, consider the character of the actions to which they lead, and, with practice, acquire the wisdom to appreciate real people in all their complexity.

The point is not to abandon the great achievements of economics, but to create what we call a “humanomics,” which allows each discipline to keep its own distinctive qualities. Rather than fuse economics and the humanities, humanomics creates a dialogue between them.

Such a conversation would actually bring economics back to its illustrious roots in the thought of Adam Smith, who, in *The Theory of Moral Sentiments*, explicitly denied that human behavior could be adequately described in terms of people's “rational choice” to maximize their individual utility. After all,

people often behave foolishly. More important for Smith, their care for others is an “original passion” that is not reducible to selfish concerns.

Smith's writings on economic and ethics share a deep sense of the limits of reason. Central planning is bound to fail, but so are algebraic models of behavior. One needs a subtle appreciation of particulars, the sort of sensitivity that was dramatized, a half-century after Smith's moral treatise, by Jane Austen and her successors. A great psychologist, Smith knew that we need both cents and sensibility.

Econometric methods and mathematical models teach us much, but only so much. When it comes to human lives, characterized as they are by contingency and narrativeness, stories are an indispensable way of knowing. That is why the quantitative rigor, policy focus, and logic of economics must be supplemented with the empathy, judgment, and wisdom that defines the humanities at their best. Economists must speak to other disciplines – and let them speak back.

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