

**THE FISCAL STATE, THE MARKET AND THE CITIZENS' MORAL
CAPACITY IN THE SECULARIZED SOCIETY***

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Abstract. *The claims in this essay are of three types, philosophical, historical and sociological. The basic philosophical claim concerns the concepts of social solidarity, moral capacity, secular-scientific worldview, and their relationships. Social solidarity means respect for the interests of the other human beings, as interests having in society the same value as one's own. Moral capacity means believing in moral values, where these are universal principles giving an absolute meaning to human life. In this sense a person may possess social solidarity and yet no real moral capacity, while the secular-scientific worldview is intrinsically devoid of moral values because it has no room for absolute meanings. However, individual liberty-independence, properly defined, is the only absolute meaning of human life, and thus the only moral value, compatible with the secular worldview. The basic historical claim is that in the west, following the transition from feudal-aristocratic to capitalist-liberal societies, the secular worldview, driven by the power of scientific-technological progress, has eroded the metaphysical, religious and ideological ones, becoming the dominant ingredient of culture and institutions. Since the secularization process tends to destroy values without replacing them, contemporary liberal capitalist and secularized societies tend to become societies without values. The basic sociological claim concerns the unique power of individual real moral capacity in guiding behaviour. The ordinary citizen's recognition of individual liberty-independence as the only public moral value is a necessary condition for ensuring the good functioning of the public and private economies and of liberal political institutions, where "good" means consistent with the safeguarding of individual liberty-independence as a universal ethical principle in*

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all social interactions. If this individual moral capacity is too weak, or shared by too few people, no system of rules, organization and management of government power and market forces, however perfected, will ever be capable of ensuring that "good" functioning.

1. THE TOPIC AND THE CLAIMS. The subject of the relationships between the state and the economy may be addressed from many viewpoints. The diversity of viewpoints concerns both the different disciplines, or "research programs"¹, into which the knowledge of social facts is subdivided: economics, law, political science, sociology, history, moral philosophy, as well as the variety of special problems addressed within the same program. I propose to develop an argument which, though derived from my background as a student of a specific research program - economics in general and public economics in particular - moves freely across the territory of the others and especially that of moral philosophy.

The leitmotif of my argument is the analysis of the distinction-interdependence between the economic-legal-political dimension of the public economy of the fiscal state and of the private economy of the market in contemporary liberal capitalist and secularized society, on the one side, and their ethical dimension on the other. According to the approach adopted by James Buchanan, and implicitly followed also by Richard Musgrave, in a recent debate (described by Paul Samuelson as an "adversarial dialogue") on the relationship between the state, the public economy and the market, organized in 1998 at the University of Munich, the ethical problem of the economy in our society must be

¹I follow Buchanan (1987, 1999) in preferring this expression, scientifically more meaningful, to that of "discipline" based on classification conventions.

put in terms of the *individual* possession of moral capacity, defined as the individual capacity to have social solidarity (Buchanan-Musgrave 1999, in particular pp. 24-35, 205-27). This approach, derived by Buchanan from Friedrich Hayek's concept of "moral order" (1979), diverges obviously from the one developed in the sixteenth century, in a very different socioeconomic and cultural context, by the Calvinist strand of protestant thought: dedication to work, capitalist entrepreneurial spirit and economic success raised to the status of standards of morality because viewed as signs of God's predilection. But it diverges also, and more deeply than what appears on surface, from the approach widely followed by modern christian and secular thought: the "common good" and social justice raised to the status of standard of morality in opposition to the selfishness of gain and profit as the driving forces of the market. Starting from a position of full agreement with Buchanan-Musgrave's individualistic approach, I'm going to concentrate on certain points of their debate in order to argue: that the ethical question of the economy must be put in terms not of the capacity of having social solidarity, but of the capacity, only seemingly similar but in reality quite different and much stronger, of having moral values, that contemporary capitalist and secularized society is already, or is in the process of becoming, a society *without values*, and that the economy and institutions of a society without values can neither work well nor, in perspective, survive.

My argument on these topics rests - very freely - on the debt I owe to three representatives of liberal philosophical-political thought: Benedetto Croce for a philosophically correct concept of morality, and for the concept of individual liberty-independence as the only "secular" moral value, Karl Popper for the meaning of the "secular" worldview as opposed to the "dogmatic" ones, and Isaiah Berlin for the concepts of political liberty and value pluralism. However, to avoid accusations of an untruthful

rendering of their thought I must make clear, first, that my aim is not to faithfully reconstruct some of their ideas, but to use the general meaning of these in order to better explain my own position, and, secondly, that my debt towards them is not that of a professional student of the history of philosophical-political thought, which I am not, but that of an ordinary participant to our common western cultural heritage. Beyond the diversity of their general philosophical views and research fields, their work has a common feature: the faith in reason and *only in reason* which Popper himself calls “critical rationalism” in a famous essay (1966) dedicated to explaining and defending it against its enemies. As a consequence their most universal and durable intellectual legacy is not about *what*, but about *how* to think.

The argument is organized as follows. In *section 2* I briefly review the terms in which the public economy of the fiscal state and the private economy of the market enter the research program of economics, and the behavioural model of the individual pursuing his own narrowly defined and opportunistic self-interest as a convenient abstraction upon which the very identity and practical utility of such program are based. In *section 3* I discuss Buchanan-Musgrave’s approach which identifies the ethical problem of economics not in contrasting the “moral” aims of the “common good” and social justice against the “amoral” ones of gain and profit, but instead in the individual possession of some “moral capacity”, meant as the individual capacity to have social solidarity, namely to understand and respect the own interests and needs of all individuals as members of the same human family, as interests and needs having the same value in society as one’s own. In *section 4* I claim that this particular moral capacity, as defined by Buchanan and Musgrave and almost always referred to whenever use is made of the concept, is not in fact a real moral capacity, doesn’t have its strength, and is not sufficient as the cornerstone of a true civilization, because real moral capacity is

the capacity to have moral values, defined as universal principles giving an absolute meaning to human life. Individual possession of social solidarity will follow as a consequence from the individual possession of certain values so defined. In *section 5* I distinguish the “secular” conception of the world from “dogmatic” ones, and claim that individual liberty-independence, appropriately defined, is the only moral value compatible with the former. In *section 6* I distinguish between public and private moral values, and claim that a liberal society allows individual liberty-independence as its only public moral value, and differentiates itself by this from “fundamentalist” societies in which also other moral values, derived from dogmatic conceptions of the world, are asserted as public. In *section 7* I claim that social solidarity and justice, although perfectly defensible from the logical point of view of concepts and the practical point of view of targets, do not constitute distinct and autonomous moral values with respect to the moral value of liberty-independence, because whatever moral meaning we want them to have it is already contained in the latter, and if it isn’t then it is not a moral meaning. In *section 8* I argue that the individual possession of the moral value of liberty-independence constitutes also the foundation for an ethical dimension of the economies of the fiscal state and of the market, as distinct from their economic-legal-political dimension. In *section 9* I claim that the marginalization of dogmatic cultures and of the moral values deriving from them, initiated with the Enlightenment and continued to this day, has transformed the liberal capitalist society into one substantially secularized and tendentially devoid of moral values. In *section 10* I claim that in a liberal capitalist and secularized society devoid of public moral values compatible with its liberalism and secularization, both the public and private economies as well as the very system of rules, and of objectives, organization and exercise of the political-regulative power of government within which they operate, are destined to remain *de*

facto subservient to the principle of the reciprocal overcoming between individual and group interests, and even the very institutions of its political liberalism do not have the strength to survive.

2. THE FISCAL STATE AND THE MARKET IN THE RESEARCH PROGRAM OF ECONOMICS. The state enters the research program of economics essentially as a “fiscal state”: one or more levels of political-regulative power of government - municipal, regional, national, supranational, etc. - which regulate, administer, provide public and private goods outside the market and public utility services, pursue “merit” objectives², provide social protection and welfare, redistribute resources among individuals and groups, manage real and monetary macroeconomic stability, and cover the cost of such activities through the compulsory payment of taxes charged on the members of the corresponding polities. The concept of the fiscal state is therefore closely related to the formation of a constitutional power to impose and enforce rules in general, and to tax in particular, exercised by the state-tax authority towards the citizens-taxpayers. Thus this research program deals both with a “private economy” consisting of the activities of production, distribution and consumption of marketable goods (broadly defined) which take place in the form of individual choices and free private cooperation, through voluntary market exchange, and a “public economy” consisting of the activities of the fiscal state which take place in the form of collective choices, through the cooperative procedures of political processes and the associated exercise of the coercive power to regulate.

The behavioural model upon which the identity, autonomy and

²Objectives of the polity based on preferences which are different from those of the individuals, according to the classical definition introduced by Musgrave (1959, pp. 13-4).

usefulness of the economics research program, with its apparatus of concepts, methods and results, are largely based is that of the individual who in all his activities pursues - in Buchanan's extreme terminology - his own "narrowly defined and opportunistic self-interest", while regarding the other individuals simply "as part of the natural world", with no consideration for *their* "own" interests and needs as such, except for the more or less extended range of family and personal relationships within which the interests of others are regarded as extensions of his own (Buchanan-Musgrave 1999, pp. 209 ff.). This behavioural model doesn't pretend to represent an exhaustive view of the motivations guiding the individual in his social interactions, but only a convenient abstraction, which has in any case allowed the economics research program to construct a scientific system of undisputable effectiveness in contributing, together with other research programs, to the explanation of social facts (Buchanan-Musgrave 1999, pp. 215 ff.). It has proved to be capable of going a long way in the explanation not only of private social interactions taking place through the market, but also of the public ones taking place in the political process. Indeed the assumption of self-interest as defined above, as the only guiding principle of individual behaviour, can perfectly well accommodate the recognition of the existence, in many social interactions, of "common" (or collective) interests, defined as "own" interests that individuals have in common with others and that can be served better through the cooperative processes of political decisions and free private cooperation than through individual market transactions. Large parts of positive and normative economic theory dealing with the public economy are built *within* the framework of this behavioural model, and provide useful means for understanding and forecasting social facts. Some deal with the properties and effects of the fiscal state's activities in a perspective in which these are viewed as exogenous, and the individual acts exclusively in his role as a private subject (for

instance the neoclassical theories of public goods, taxation and public debt). Other parts deal with the economics of the political processes leading to the formation of the fiscal state's activities, viewed as resulting from the individual's selfinterested behaviour in his role as a political subject, namely as voter, representative, politician, bureaucrat (the *Public Choice* school's research program), with the interactions between market and hierarchy relationships in the internal and external functioning of organizations (the research program of neoinstitutional economics), with the interactions between the economy, the political system and economic policy, and in particular the role played therein by interest groups.

3. MORAL CAPACITY AS POSSESSION OF SOCIAL SOLIDARITY. Few people deny that in the real world a large majority of individuals do possess some measure of "moral capacity", defined as *individual* capacity to have *social* solidarity, i.e. to understand and respect in all social interactions also the own interests and needs of the others as members of the same human family, as interests and needs having in society the same value as one's own, and thus in particular to have a sense of the state and institutions, and social generosity and altruism (by "social" I mean the solidarity towards any other human being as such, to be kept distinct from that which manifests itself *within* the range of family and personal relationships as an extension of one's own self-interest). For reasons already mentioned this moral capacity is not strictly necessary in theory, to explain the existence and activities of the fiscal state, including those in the areas of welfare, social protection and redistribution, greatly increased in the past two centuries. However, though not strictly necessary in theory in fact it has certainly contributed to them. It would instead seem necessary also in theory to explain many welfare and social activities carried out through free private cooperation. A very

different assessment of the diffusion and depth of such moral capacity in today's liberal capitalist society, and of the conditions which may favour either its strengthening and beneficial effects, or instead its weakening and perversion into individual and group opportunistic selfishness, underlies the already mentioned Buchanan-Musgrave adversarial dialogue. Buchanan's assessment tends to be pessimistic. It leads him to believe that the extension of the fiscal state's "social" objectives and activities in the course of the previous century, and most notably of the present one, has contributed to its ever more frequent degeneration into a place where everybody, but especially the individuals, categories and organized groups holding greater economic-political power, compete with each other for rent and privileges, instead of that in which the political-regulative power of government, supported by a limited moral capacity of the citizens, pursues with some effectiveness the latter's common interests and limited aims of social solidarity, or - in other words - contributes to a good economy and a good societal life. By consequence the primary task of the social scientist who resists the recurrent temptation of wishful thinking and recognizes such human condition would not be to theorize about the many things that a benevolent fiscal state could do to promote efficiency and sociality, but to search for those rules and constraints on governments' aims, modes of action and discriminatory discretionality, capable of keeping the extension and contents of their activity in line with the citizens' actual and limited moral capacity. By contrast Musgrave's assessment tends to be optimistic. The modern fiscal-welfare state has attained in the last two centuries, and most notably in the latter, many successes in increasing the sociality, efficiency and stability of capitalist societies. Its malfunctions and failures must be recognized and contrasted, but its successes are by far greater. In Musgrave's opinion the modern fiscal-welfare state's positive balance is also

proof of the existence of a significant and widespread endowment of individual moral capacity in all layers of society, and at the same time contributes to its widening and strengthening.

There is however one point on which these authors agree, irrespective of the research programs' methodological abstractions, and of their own deeply divergent visions on results and perspectives of the modern welfare state. It is the recognition that the individual possession of some measure of moral capacity is a necessary condition for the "good" functioning of the private and public economies, *preceding* the requirement that there also must be technically good rules, good objectives, organization and exercise of government power, and good techniques of fiscal management and market regulation. This recognition allows me to ideally join in their discussion, starting with a critique of their concept of moral capacity.

4. MORAL CAPACITY AS POSSESSION OF VALUES. Moral capacity as defined by Buchanan, and implicitly also by Musgrave, is expression of an idea of morality which in strictly philosophical terms is "insufficient", because real moral capacity cannot be expressed in terms of interests and needs. It can only be expressed in terms of values. Moral capacity means capacity to have moral values, where these are universal principles giving an absolute meaning to the world, and to human life in particular (the specification "universal" is actually redundant, because a value either is universal or else it is not). Absolute meanings, and therefore moral values, do not belong to the realm of the scientific understanding of the facts and things of the world, they belong to the realm of *beliefs*. To have values means to *believe* that human life *does* have an absolute meaning, which as such cannot concern the life of this or that individual, depending on circumstances, but always and necessarily that of everybody. On the other hand to have interests and needs means to regard

contingent facts and things of the world as “instrumentally useful” in one’s life. People may have own interests and needs of all sorts, including those of a “superior” kind, such as the pleasure derived from the pursuit of knowledge, art, culture, professional excellence. Also they may understand and respect the own interests and needs of other people, and therefore possess social solidarity, and yet they may possess no moral values in what is the only philosophically meaningful sense of the word. On this concept of moral value as the “good” or “ultimate end”, on its relationship to the concept of interest as the “instrumentally useful” or the “means”, and on the fact that both values and interests do not belong to the realm of the scientific understanding of the facts and things of the world (there are neither values nor interests in the laws of nature), but to the realm of spiritual life as it is experienced by humans in their capacity to have reason and volition³, there isn’t much that can be added or changed to what has been at length and deeply argued by Croce ([1908] 1950⁶). By subjecting his thought to the same criticism to which he subjected Hegel’s - namely by searching for which of his ideas are dead or outdated and which are alive - today we may consider it dead as a theoretical *idealistic philosophy* of the world conceived as *impersonal life of the mind*, but we may consider it alive as a theoretical and moral *philosophy* (not psychology, or biology) of

³In Steven Weinberg’s words discoveries in science have no implications for culture or philosophy, with two large exceptions. One is jurisdictional, and doesn’t concern my point here (“discoveries in science sometime reveal that topics like matter, space, and time, which had been thought to be proper subjects for philosophical argument, actually belong in the province of ordinary science”), the other, more important, does concern it: “the discovery, going back to the work of Newton, that nature is strictly governed by impersonal mathematical laws”, its universe is pointless, and life in general and human life in particular have no special status in it (2001 pp. 42-8, 146-7, 1993 pp. 204-5).

the personal spiritual life embedded in individual consciousness and self-consciousness, or capacity to have reason and volition. The problem of real morality is a strictly philosophical one, because such is the problem of identifying what is human. And the hallmark of humanity is individual consciousness. “In the end, the measure of humanity is a philosophical matter. Philosophy, however, has almost nothing to say about such things. Academic philosophers spent much of the last century bankrupting their discipline. With a few honorable exceptions, they preoccupied themselves with questions of method and nomenclature, such as: under what linguistic conditions would it be meaningful to ask about the definition of ‘the human’? As Bernard Williams wrote in his 1972 book *Morality*: ‘Contemporary moral philosophy has found an original way of being boring, which is by not discussing moral issues at all’ ” (McGrath 2000)⁴.

⁴While contemporary moral philosophy condemns itself to bankruptcy because of its inability to address its true problems, a “research program” has gained ground where the roots of moral sentiments and behaviour (justice, human rights, solidarity, generosity, altruism) must be traced in the chemistry and biology of the brain, through the “scientific inquiry into the deeper processes of human thought”. In it “ethics (morality) is conduct favored consistently enough throughout a society to be expressed as a code of principles”, and “is driven by hereditary predispositions in mental development”. The philosopher’s answer to this research program, whose chief representative is the Harvard biologist Edward Osborne Wilson (1998, in particular the chapter “Ethics and Religion”), cannot be the rejection of its scientific validity. To do so he should enter and stay within the realm of science (chemistry, biology, brain sciences, psychology, etc.), where he would be likely to find evidence in support of such validity. But for philosophy *morality is a different thing*. It is values, and these do not belong to the realm of the scientific understanding of moral sentiments and behaviour as facts and things of the world, but to the realm of *beliefs* in an absolute meaning of the world, and of human life in particular.

5. “SECULAR” VERSUS “DOGMATIC” VALUES. INDIVIDUAL LIBERTY-INDEPENDENCE AS THE ONLY SECULAR VALUE. From the point of view in which reason addresses reality two general types of “*Weltanschauungen*”, or views of the world, of life and of man can be set against each other. I shall call “secular” the non metaphysical, non religious, and non ideological view which sets hypothetical and critical reason against dogmatic reason, knowledge against faith, science against doctrine, the natural reality of the “facts” and “things” supplied by the experience of the outside world and of the self against a transcendent-supernatural or ideal-utopian reality “requested” by the need of the absolute, of justification and consolation for pain and evil, of justice and hope. The reality of the secular view is without god and individual immortality, without faiths and ideologies, without ultimate “meanings” of the world and of life in transcendence or history⁵. Within such view it is perfectly consistent to regard the very concept of moral values, or universal ethical principles, as meaningless, and to regard also human life as having no absolute meaning but only a contingent one, like all other facts of nature, which is the same as no meaning at all in the moral-philosophical sense of the word. And yet if we want to look for values which are *compatible* with such view, then we can find one and only one. It is not a value that the secular view carries in itself, but it is the only one which it can accept within its confines without losing

⁵Because of its very nature a “worldview” cannot be defined with the same precision with which the concepts of the sciences are defined. The properties with which I identify the secular worldview are a combination of some key features of the reflection on the reality surrounding and encompassing ourselves, that are found - with variations - among influential representatives of contemporary philosophical-scientific thought (Russel 1912, Popper 1959, 1966, 1972, Weinberg 1993 [in particular the chapters “Against Philosophy” and “What About God”], 2001, Dyson 1998, Larson & Witham 1999).

its nature and consistency. Among the “facts” offered by the experience of the outside world and of the self there are human individual consciousness and self-consciousness, or capacity to have reason and volition. Combined they generate in the individual the awareness of his own identity, and therefore also the awareness of his own liberty-independence, perceived as the capacity to have reason and volition as a being who is distinct and autonomous with respect to the others and the rest of the world, and the associated sentiment of self-respect. Individual liberty-independence so defined is the essence of the personal spiritual life embedded in individual consciousness and self-consciousness, and *is itself* the only absolute meaning of human life, and thus the only moral value or universal *ethical* principle, compatible and consistent with the secular worldview. More briefly I shall say, in this precise and exclusive sense, that individual liberty-independence so defined, in itself and without qualifications, *coincides* with individual consciousness and self-consciousness. As such it can be neither given nor taken away because it simply *exists* wherever there is consciousness and self-consciousness. It is on the other hand possible to impede and thwart, or to favour and promote, its outward manifestations and inner developments. “And since liberty is the essence of man, and man owns it in his quality as man, we can’t take literally and materially the proposition that we must ‘give liberty’ to man, it being something that cannot be given to him because he already has it. So much so that it also cannot be taken away from him...That proposition, properly understood, means simply that there is a moral obligation to always favour and promote liberty, which is the very life of man, and while in its negative content that proposition prohibits every action aimed at diminishing it, in its positive content it commands to only act for its increase...It is sometimes stolidly asked what should one do with the liberty he owns or has regained or revived, as if it were some idle force waiting for somebody to

use it or tell it to what task it should engage itself. But idle forces do not exist in reality...because a force exists only when it works...and liberty doesn't search or ask from others for a content which it is lacking, because it is itself this very content...Since liberty coincides in every respect with morality and contains in itself every moral obligation, there is no moral task which lies outside its domain... [*E poiché la libertà è l'essenza dell'uomo, e l'uomo la possiede nella sua qualità di uomo, non è da prendere letteralmente e materialmente l'espressione che bisogna all'uomo 'dare la libertà', che è ciò che non gli si può dare perché già l'ha in sé. Tanto poco gli si può dare che non si può neanche togliergliela...Quella espressione, intesa rettamente, vuol dire soltanto che si ha il dovere morale di sempre favorire e promuovere la libertà, cioè la vita dell'umanità, e, ponendo nell'aspetto negativo della formula il divieto a ogni azione che la sminuisca, in quello positivo pone il comandamento di aumentarla e accrescerla di continuo...Si suole storditamente domandare che cosa si debba fare della libertà che si possiede o che si è riacquistata o piuttosto ravvivata; come se essa fosse una forza oziente che aspetti qualcuno che l'adoperi e le consigli e le imponga il da fare. Ma forze ozianti non esistono nella realtà...perché una forza è tale solo quando lavora...e la libertà non va in cerca né chiede ad altri un contenuto che le manchi, perché essa stessa è questo contenuto...Coincidendo la libertà in tutto punto con la moralità e compendiando in sé ogni dovere morale, non c'è nessun compito di tal qualità cui essa non arrivi e che resti fuori dalla sua cerchia...]* (Croce [1943] 1988, pp. 86-7)⁶.

⁶The properties and "causes" of consciousness are the subject of current research programs combining philosophy, neurosciences, quantum physics and developments in computer technology (Searle 1997, Penrose 1989, 1994). These are fascinating developments forced upon traditional philosophy by scientific-

At the opposite side of the secular worldview are the “dogmatic” views - namely the metaphysical, religious or ideological ones - based as already said on dogmatic reason, faith, a transcendent-supernatural or ideal-utopian reality. They have in common the fact of giving an absolute meaning to the world by deriving it from outside or superior sources. In worldviews of this kind the problem of values, or universal ethical principles, stands in an inverted perspective with respect to that of the secular one: *first* comes some absolute meaning of human life, and only *afterwards* do the values or ultimate ends by which it must be guided derive from it. Depending on their metaphysical-religious-ideological presuppositions such values may be the most diverse, and may possibly not include individual liberty. In any case even if, within a worldview of this kind, individual liberty were recognized as a moral value, its meaning and status would be radically different from the ones it holds in the secular conception. More precisely, within a dogmatic conception individual liberty as a moral value in itself is meaningless, while it acquires meaning and status only through the fact of being related to, and dependent from, some absolute meaning of human life which comes conceptually before it. This point, *essential for my claims*, is set out very clearly by the roman catholic philosopher Robert Spaemann (1976): “Liberty stands and falls with the possibility of understanding one’s own life as meaningful. The awareness and conservation of meaning are not possible when the hypothetical mode of thinking and living remains without contrast, when it tends to become the universal mode of human existence. This tendency

technological progress. In my view to this day they do not clash with Croce’s thought, in so far as it deals with the forms and contents of spiritual life as it is experienced by humans in their capacity to have reason and volition, independently of what interactions between brain cells may cause it and of the expected possibility of their artificial replication.

finds its theoretical expression in the so-called critical rationalism, especially in the form in which it is represented in Germany by Hans Albert. Indeed already Sir Karl Popper has argued that the pretence to a non hypothetical knowledge is unreconcilable with a free, open society... [*Freiheit steht und fällt mit der Möglichkeit, das eigene Leben als sinnvoll zu verstehen. Vergegenwärtigung und Reproduktion von Sinn ist nicht möglich, wenn die hypothetische Denk- und Lebensform ohne Widerlager bleibt, wenn sie tendenziell zur universellen Lebensform wird. Diese Tendenz findet ihren theoretischen Ausdruck im sogenannten kritischen Rationalismus, insbesondere in der Form, wie ihn in Deutschland Hans Albert vertritt. Zwar hat schon Sir Karl Popper die These entfaltet, der Anspruch auf nichthypothetisches Wissen sei mit einer freien, einer offenen Gesellschaft unvereinbar...*].”

6. LIBERAL VERSUS FUNDAMENTALIST SOCIETIES. In a review essay of a study by John Gray (1996) on Isaiah Berlin Michael Walzer (1995) concentrates on a central point of tension in Berlin's thought⁷. In what is perhaps his best-known work, *The Hedgehog and the Fox*, of 1953, Berlin divides students of human affairs into two categories named hedgehogs and foxes. The former strive to bring the meaning of all that they are and say within “a single central vision,...a single, universal, organizing principle”. The latter instead “pursue many ends, often unrelated and even contradictory,...seizing upon the essence of a vast variety of experiences and objects for what they are in themselves, without...seeking to fit them into...any one...all-embracing...unitary inner vision”. Berlin understands the hedgehogs' world, but his mind and feelings are with the foxes,

⁷The review essay was published in the *NYR* before the appearance of Gray's book.

with whom he has been running all his life. Actually in Berlin's thought there appears to be one single great master idea, which brings his fox's spirit close to that of a hedgehog. This master idea is "value pluralism": There have been and there always will be in the world many different ideas of the good, the good man, the good life, the good society. These different ideas of the good cannot be ranked on a single common scale in order to establish which are more true or superior to the others. They are simply different and incomparable, and often also inconsistent, but in any case they are all equally true. To the understanding of them and to showing their differences Berlin has dedicated a large part of his long life. But Berlin is also a liberal, a man who keeps professing his partisan choice in favour of political liberalism. But isn't individual liberty, whose defence and promotion are the foundation of political liberalism, a value having a different and superior ethical status with respect to the other values of the world, because only political liberalism recognizes, and must by its very nature recognize, though with restrictions required by the need of its own survival, the pluralism of values? Walzer believes this tension in Berlin's thought to be unresolvable. He regards in particular as not wholly successful Gray's attempt to recompose Berlin's thought into a world vision in which two truths may coexist as logically compatible: the acceptance of value pluralism as a factual truth in human history and society, and Berlin's personal choice in favour of the special truth of one of these values, the liberty of every individual in society to choose how and for what purposes to conduct his own life, combined with his consequent option in favour of political liberalism as a social order superior to others. In Walzer's words "Gray has written an acute and illuminating exposition of Berlin's world view, but his effort at reconstructing that view and reconciling its different parts is, at the same time, a kind of trap. He probably gets closer to Berlin than anyone else has done, and still, when he closes the trap,

Berlin is not inside. The fox is still running”⁸.

I connect myself to this suggestive analysis of Berlin’s political liberalism in order to extend and adapt it to the problem of the coexistence of the only moral value compatible with the secular worldview - individual liberty-independence - with the many different moral values derived from dogmatic worldviews. While a logical-conceptual coexistence is not possible, the possibility must instead be found of a political coexistence in civil society. The basis for the latter lies in the distinction between “public” and “private” moral values. A moral value becomes public in so far as it enters into the foundations of the system of rules, and of objectives, organization and exercise of the political-regulative power of government in the polity. To say that a moral value must not become public - i.e. that it must remain private - doesn’t mean to say that it must be prevented from being manifested and transmitted in society, but that an unsurmountable restriction must be imposed on the modality with which this may take place. It means saying that such a moral value can become the foundation only of the personal life of those who hold it, and that these people can act in order that it may become the foundation also of the personal life of others only through the purely cultural transmission between free individuals of the reasons supporting it, but never through the exercise of the political-regulative power of government, however deep its democratic legitimation may be. In Berlin’s language one can say that a society is liberal when it assumes his concept of political liberty as the informing principle of its legal-political and social

⁸The difficult and never really settled relationship, in Berlin’s thought, between the truth, incomparability and possible incompatibility of the many values, and the superior value of political liberalism as a social order based precisely upon the recognition of that truth, presents logical and philosophical aspects briefly and deeply discussed also by Bernard Williams ([1978] 1980).

order. But Berlin's political liberty is not in itself a moral value but only a means, and therefore it renders society liberal only in its form⁹. In order for society to become liberal also in its substance it is also necessary that its system of rules, and of objectives, organization and exercise of the political-regulative power of government should carry the secular moral value of individual liberty-independence as its only public value, i.e. as its only ethical

⁹The "negative" individual liberty theorized by Berlin, defined as an area where a person is not obstructed nor prevented by others from doing or being what he could otherwise do or be, sufficient for giving to the individual the possibility of pursuing his own good in his own way (let us call it "civil" liberty: "how much am I to be governed?"), combined with the "positive" individual liberty of choosing who is going to exercise the power of government (let us call it "democracy": "by whom am I to be governed?"), form the "liberal" concept of *political liberty* conceived - precisely - as civil liberty *plus* democracy. They concern the legal-political and social conditions designed to give the individual the possibility of choosing, in society, how and for what purposes to conduct his life. This concept of political liberty is related to, but distinct from, that of individual liberty-independence in itself, which comes logically first and is closer to Croce's concept of liberty as the essence of spiritual life. If by a moral value we mean a universal principle giving an absolute meaning to human life, then Berlin's political liberty is not a value, but a *means* which may serve, together with others in society and history, to the promotion, protection and guarantee of individual liberty-independence in itself as a moral value. Not to distinguish between individual liberty-independence in itself, as a moral value, and the legal-political and social conditions required for its promotion, protection and guarantee, is quite simply a philosophical mistake. Upon such distinction, which is as clear as it is little understood, rest Croce's denial of any *necessary* association, or incompatibility, between liberty as a moral value, by its very nature absolute, and actual social systems, by their very nature contingent ([1927] 1988a, [1927] 1988b), and his consequent insistence in asserting the incompatibility between ideological beliefs and a critical-conjectural assessment of the desirability of alternative practical social programs like economic liberalism, communism, state socialism, etc. ([1900] 1941⁶).

foundation. And this requires such moral value to be understood and recognized as the only public value by the citizens of all layers of society, or, in other words, to be inscribed into the genetic code of the so-called man of the street (by which I mean the weak as well as the powerful, influential or wealthy), irrespective of the nature and degree of his intellectual awareness of it, and of his personal metaphysical, religious or ideological convictions. Individuals, groups, associations, institutions and movements in the polity may well be, and certainly are, bearers of dogmatic worldviews and of the non secular moral values derived from them. But these cannot become public values. They must remain private in the sense explained above.

It is vital to recognize, without the illusion of impossible compromises, that a society in which moral values derived from dogmatic worldviews enter into the foundations of its system of rules, and of objectives, organization and exercise of the political-regulative power, becomes in substance a *fundamentalist*, i.e. non liberal, society, even if it preserves the forms of political liberalism. It must also be recognized that this holds true not only when the non secular values to be adopted as public are in explicit contradiction with the secular one of individual liberty-independence, but also, and equally so, when they appear to be compatible, and even convergent, with the latter. As I have argued drawing on the thinking of Croce, Popper and Berlin, even in the second case the two types of values are not, and never can become, neither compatible nor convergent, because of the radical incompatibility between the worldviews from which they are derived¹⁰.

¹⁰In the west two of the historically most important dogmatic conceptions are, as can be imagined, the christian religion, and the catholic one in particular, with the whole weight of its millennial history, and communism's ideological doctrine, whose historical weight is comparatively negligible over the millennia, but not over the last two centuries. For the christian faith man's liberty cannot be

7. LIBERTY VERSUS SOLIDARITY AND JUSTICE. The claim which identifies individual liberty-independence as the only secular moral value, and consequently the only value to be understood and recognized by all citizens of a liberal society as a public moral value, might seem reductive because it doesn't include among public moral values social solidarity and justice. The *philosophical* answer to this objection was provided by Croce sixty years ago in an essay ([1943] 1988) to which I refer the reader¹¹. Here I confine myself to summarizing the implications of that solution with regard to the present discussion. My claim

separated from God's revealed truth. The true liberty of man - creature - consists in knowing and accomplishing, or else rejecting, the will of God - the creator. For the communist ideology the full realization of man's liberty requires the adoption of a specific method of social analysis as the only valid one, and the attainment of a unique - "good" - socio-economic system. Croce's, Popper's and Berlin's liberty, irrespective of their different philosophical views, is the liberty embedded in human consciousness, as such, with no relationship with anything lying outside itself, and no other dogma - if it can be so named - except that which asserts its very existence. The search for an area of *public* values common to different conceptions of the world and of life has been the subject of much recent work by John Rawls (1999). If by values we mean specific political objectives and constitutional principles, historically determined and contingent, the search may be fruitful and useful, but if we mean real moral values, then it can only fail: a society liberal in form *and substance* simply cannot coexist with public moral values derived from dogmatic worldviews.

¹¹My attention was drawn to this essay of Croce by Sergio Steve. One doesn't need to agree with it *in toto* in order to appreciate that it faces head-on one of the real problems of moral philosophy. The fact that it has been largely overlooked by academic philosophy not only outside Italy, where it isn't easily accessible because of the language, but also inside seems to me to be a confirmation of Bernard Williams' claim concerning the failure of most of contemporary moral philosophy (see above footnote n. 4).

doesn't obviously deny that social solidarity and justice are indeed morally good things, but that they are each a distinct and independent moral value to be put with equal status alongside that of individual liberty. If by social solidarity we mean what Buchanan and Musgrave mean by moral capacity, namely the capacity to understand and respect the own interests and needs of all individuals as members of the same human family, and therefore in particular the capacity to have a sense of the state, the community and institutions, as well as social generosity and altruism, then I've already argued above that it is possible to possess social solidarity even without possessing real moral values. By contrast, if there is a capacity to understand and recognize individual liberty-independence as a universal ethical principle giving an absolute meaning to the life of every human being, then it is from the possession of this moral value that the possession of social solidarity will follow, as a necessary consequence. But to the difference in theory, which may concern only the philosopher, there corresponds a difference in life which concerns everybody. The sentiment of social solidarity deriving from the ideal conviction - that is, the belief - that in individual liberty-independence lies the absolute meaning of human life has a strength, in both private as well as public social interactions, which without such an ideal conviction it could never have. And a society lacking the strength of real moral values remains a society without soul, even if it consists of honest, tolerant, generous and altruistic people.

As for social justice, most approaches in the history of philosophical, political and economic thought lead to the construction conceptions of an essentially egalitarian nature. Adopting an essentially egalitarian conception of social justice, or of the just society, means to construct a general definition of a just social order, based on some notion of equality in the distribution among individuals (within and across generations) of economic

resources, i.e. of the possession, use or availability of economic goods. Many contemporary social philosophers, particularly John Rawls (1971) and Ronald Dworkin (2000), have probed deeply into this notion of equality, contributing to the conceptual foundations of a large part of the modern doctrine of egalitarian liberalism and of social justice as social equality. The notion of equality is developed in depth and refined in such a way as to free as much as possible the *individual* judgement on the just social order from the consideration of personal advantage (the so-called “veil of ignorance” in the abstract *scenario* of a hypothetical social contract, in Rawls), or to bring as much as possible into the *objective* judgement on the just social order the consideration of the differences in individual needs and preferences, and also of the unequal natural distribution of talents and disabilities (the so-called “envy test”, combined with a collective obligation to compensate for natural inequalities, in Dworkin). Nevertheless, such conceptual deepening remains firmly entrenched inside the logical framework of a social justice conceived in terms of distributive equality. Egalitarian conceptions of social justice are in principle perfectly defensible both in logic and in practice. In particular from a practical point of view it is perfectly defensible to claim that a greater degree of distributive equality may increase social stability and cohesion by strengthening the citizens’ sentiments of belonging and participation in the polity, and thus also their sense of the state, community and institutions, thereby contributing to a better working of democracy and of the economy. There are therefore good reasons for regarding social justice so defined as a “socially” desirable objective, even if the complexity, uncertainty and changing pattern of the relationships between distributive equality, social stability and cohesion, democracy, and economic efficiency and growth, and the great variety of socio-cultural contexts into which such relationships take place, suggest that a priori they shouldn’t be given too much

weight. But this is not my point. My point is that to regard the problem of social justice conceived in terms of distributive equality, however defined, as a distinct and independent ethical problem is a plain philosophical mistake, in the same way as saying that $2+2$ makes 5 is a calculation mistake. If moral values are universal principles giving an absolute meaning to human life, then there is no sensible way in which the claim may be made that any degree of equality in the distribution of the availability of goods among individuals constitutes in itself a moral value, because there is no sensible way in which the claim may be made that the absolute meaning of an individual's life depends in some sense upon his availability of goods, and even less upon some relationship between his own availability and that of others. Social justice as distributive equality (which concerns property rights in a broad sense) is, like political liberty (which concerns liberty rights), a means which may serve, together with other means, to safeguard and promote the moral value of individual liberty-independence, but it cannot have as such the status of a moral value distinct and independent from the latter. And again in matters of morality the distinction between means and ends is not only a theoretical issue concerning the philosopher, but primarily an existential issue concerning everybody's life. My claim here repeats, with some adaptations in language and concepts, Croce's claim in the previously quoted essay ([1943] 1988), according to which the concept of justice cannot have an autonomous ethical meaning of its own, because any *ethical* meaning which may be given to it must by logical necessity be already contained in the concept of liberty, and to the extent that it is not, it cannot be an ethical meaning.

On the subject of social justice and a just social order a position remarkably close to that of Croce, in content though not in language, has recently been proposed by the Israeli philosopher Avishai Margalit (1996), and Alan Ryan (1996) has highlighted

and discussed its welcome contrast vis-?-vis the egalitarian conceptions of Rawlsian derivation dominating the landscape of contemporary Anglo-American moral and political philosophy. The qualifying distinction lies in the contrast between the *egalitarian* and the *ethical* conceptions of justice. According to Margalit a society is just (to express what I call the ethical meaning of the term “just” he substitutes it with the linguistically unfortunate term “*decent*”) not in so far as it achieves some degree of distributive equality, however defined, but in so far as it protects and promotes in every individual, and especially in its weakest and most disadvantaged ones, their sentiment of self-respect, or, in other words, in so far as it prevents any sort of behaviour or condition that may cause a person to suffer that particular human pain which is humiliation, conceived precisely as the injuring or negation of an individual’s sentiment of self-respect. Margalit is an analytical philosopher, and therefore his philosophical background is a far cry from that of Croce, but the moral value he identifies with the individual sentiment of self-respect, making it into the foundation of the concept of a just society, is in substance the same thing as what I have defined as the individual perception of one’s own liberty-independence, integrating Croce’s concept of liberty with the concept of individual-personal identity, which finds no room in Croce’s philosophical idealism.

8. THE ETHICAL DIMENSION OF THE CITIZEN-STATE, TAXPAYER-TAX AUTHORITY, AND MARKET RELATIONSHIPS IN THE LIBERAL SOCIETY. In the course of the eighteenth century a process of transition has been under way in Europe from a feudal-aristocratic type of society to a liberal one. In the feudal-aristocratic type of society the relationship between the individual and the political authority is in essence a relationship of subordination-obedience of the individual-subject, specifically certain individuals and categories, to the political authority,

specifically other individuals and categories who hold and represent it. The political foundation of this type of society lies in a status of “inferiority” of the individual-subject with respect to the holders of political authority. In the liberal type of society this relationship becomes in essence one of parity between the citizen and the state. The political foundation of this type of society is the principle of political liberty in the sense of Berlin, as the “negative” individual liberty of pursuing one’s own good in one’s own way combined with the “positive” individual liberty of choosing and dismissing those who exercise political authority (see above, note n. 9), or, in other words, the equal liberty-independence of each individual with respect to the others and to the political authority itself. With respect to the political authority individuals are not subjects but “citizens”, because the political authority is *in primis*, ideally, not an authority placed over them, but the expression and guarantee of their equal liberty-independence, with respect to each other and to itself. The individual liberty-independence introduced into western societies by this historical transition, in the sense of civil liberty *plus* democracy, concerns the *political dimension* of the individual vs. political authority relationship, i.e. the legal-political conditions designed to give the individual the possibility of choosing, in society, how and for what purposes to conduct his own life. But as already seen, in order for a society to be liberal not only in form but also in substance, the legal-political conditions for individual liberty are not enough, because they are not values but means. Individual liberty-independence must be understood and recognized by citizens primarily as a moral value, and as the only public moral value of the polity, i.e. as the only ethical foundation of its system of rules, and of objectives, organization and exercise of the political-regulative power of government. To the extent to which this were indeed the case the citizen-state relationship acquires for this very reason also an *ethical dimension*, distinct from the political one, because the

citizen in his capacity as member of the polity as well as the state in its capacity as political-regulative power of government become both also bearers of the same public moral value.

Like the citizen-state relationship, also the taxpayer-tax authority relationship has an ethical dimension definitely distinct from the economic-political one. "Taxes are the price we pay for a civilized society". This definition of the fiscal obligation is due to Justice Oliver Wendell Holmes. In the space of a line an eminently economic-political fact like taxation is transformed into an eminently ethical one. As a matter of fact, this definition of taxation can actually be given a purely economic meaning. Taxes are the compulsory price paid by the taxpayer to cover the cost of the regulatory, administrative, productive, social and stabilization activities carried out by the fiscal state. Without rules the private market economy itself could not exist, let alone be well-functioning, because the market is identified by the rules by which it is regulated. But even with well regulated markets, the absence of the other activities of the fiscal state would leave many basic common (collective) interests and needs without coverage. Thus, since without taxes no fiscal state could exist, we may say that without taxes the economy would be left in an "uncivilized" condition in the strictly economic sense of the word¹². But the fiscal state is only one special aspect of the political state in general, defined in the wider sense as the political-regulative power of government in the polity. When we say that taxes are a necessary means for the existence of the fiscal state, we are saying at the same time that they are so also for the existence of the political state in general. In this sense, if from an economic-

¹²For precision's sake it should be reminded that a well known result of economic theory shows how, when the rate of growth exceeds the rate of interest, a growing economy may support some level of public expenditure through permanent deficit financing, with no need of taxes.

political point of view the taxpayer-tax authority relationship concerns the taxpayer as an individual pursuing his own narrowly defined and opportunistic self-interest, and the fiscal state as a legal-constitutional public power capable of imposing on him the obligation of paying taxes, from an ethical point of view it concerns also the taxpayer as citizen and the fiscal state as the political state in general. In so far as the citizen and the political state are both bearers of the same public moral values, the citizen himself in his capacity as taxpayer supports also these public moral values because in that capacity he supports a political-regulative power of government which bears them. This is the ethical dimension of the taxpayer-tax authority relationship, and the ethical meaning embedded in the highly evocative characterization given by Holmes to the fiscal obligation. It is a different and stronger meaning than the conventional one characterizing the payment of taxes as a not only legal but also moral citizen's duty. A political community without public moral values is an uncivilized society, and taxes are a necessary means for the existence of the state as a political-regulative power of government bearing those values. For this reason taxes are the price we pay in order to have not only a "civilized economy" (regulation, administration, public goods, redistribution, social protection, stabilization), but also a "civilized society" defined as a political community in which the political-regulative power of government is not only an organizational and institutional arrangement for ensuring the satisfaction of basic common (collective) interests and needs through appropriate cooperative procedures, but also a bearer of public moral values.

What has been said about the ethical dimension of the citizen-state and taxpayer-tax authority relationships holds equally well for the market relationships among individuals. There is obviously no need to dwell on the properties, merits and failures of the market as an economic-legal institution. They are the daily bread

of economists and law students. What I'm concerned with here is its relationship with the secular moral value of individual liberty-independence. As a social institution, namely a system of legal-organizational modes within which a wide range of social interactions are carried out, it has the same nature of political liberty, of which it may be regarded as a component. As such it is not a value but a means that may serve, together with other means, in society and in history, to safeguard and promote the moral value of individual liberty-independence in itself. Its instrumental nature with respect to this end comes from the fact that it places a wide area of social interactions within the domain of private property rights, and of individual choices and free private cooperation carried out through voluntary exchange, instead than within the range of action of the political-regulative power of government and of public welfare and private generosity. Through this the market provides the individual with the capacity and awareness of his own economic self-sufficiency, both of which conditions are closely associated with the sentiment of self-respect, and allows him to rest his relationships with other individuals onto the ground of *mutual independence*. From the economic-legal perspective the market means individual freedom to buy and sell, and, through this, to acquire gain, profit and private wealth. From the ethical perspective the market – a healthy business life – is instrumental for the safeguarding and promotion of individual liberty-independence. “The character of people’s working lives – the nature of their employment experience – is of central importance to them. People want to engage their minds,; and most people will need employment in the formal economy if they are to discover their talents, expand their capabilities and have the stimulation of new problems to solve. People want the personal growth that comes from working with others: and being an employee generally provides that. A great many people also want involvement in their society and to work in the economy's

'mainstream is to be part of society's biggest project. Finally the pecuniary reward from working is valued too: people want the dignity that comes from self-support, and large paychecks solve a lot of problems. For this reason the quality as well as the availability of a country's jobs and the wages that employers can afford to pay" are a basic standard for assessing the "goodness" of economic institutions (Phelps 2001).

9. THE SECULARIZATION OF SOCIETY AND THE MARGINALIZATION OF DOGMATIC VALUES. The transformation process of the social-political order of society under way in Europe during the eighteenth century is one aspect of a wider transformation process which includes another one, closely connected with the former by a relationship of similarity and mutual interaction: the secularization of culture. I use this terminology to indicate the process, often contrasted, through which over the last three centuries the secular-scientific (non metaphysical, non religious, non ideological) conception of the world has entered into people's consciousness and sensitivity spreading through all layers of our society. Over the last century the process has made further progress in width and depth, consolidating in a way that I believe to be irreversible, unless traumatic developments were to push humanity back towards primitive conditions. From the cultural point of view our century has been, even more than the previous ones, the century of science. In the course of it the secular conception of the world of which science is an *objective* carrier - i.e. independently of the subjective persuasions and beliefs of its practitioners - has evolved into the dominating one, among both the intellectual elites of culture and science in the narrow sense, where it acquires a more philosophical form, and the other much larger social classes, where it acquires a less philosophical form, but becomes psychologically equally deep-seated. Dogmatic (metaphysical,

religious, or ideological) conceptions of the world do survive and will certainly continue to do so in the future, and the same holds for various beliefs of a more emotional than intellectual nature (whose status as views of the world might be disputed). But if we look at the inner convictions revealed by people not through rites and words, but through their actual behaviour and desires, then they appear to remain alive only among a narrow minority. Looking beyond the veil of public and private rhetoric we realize that in contemporary liberal capitalist society the secularization of culture, and therefore of society itself, has gained so much ground and taken such deep roots that it must be recognized, with no risk of overstatement, as an epoch-making revolution having the same characters of subversion of the ways of thinking and feeling as those shown in western history in the transition from pagan to christian culture and society during the first centuries after Christ.

When a conception of the world enters the conscience and sensitivity of a community, i.e. when it becomes a culture in the broad sense, it carries also the moral values deriving from it, if there are any. Dogmatic conceptions and the cultures generated by them are in themselves carriers of moral values in the strong sense I've given to this concept, because they contain in themselves, by their very nature, some idea of an absolute meaning of human life in transcendence or history, and therefore by implication also some idea of the good, the good man, the good life, the good society. Such values may be liked or disliked, but they are there. On the contrary, the secular worldview and its culture do not carry in themselves any moral value because they contain in themselves no idea of an absolute meaning of human life. The secularization of contemporary liberal capitalist society has pushed aside the cultures and values based upon dogmatic worldviews without substituting them with new and different values, because by its very nature it doesn't carry any. To put it bluntly, it tends physiologically to destroy moral values without

replacing them.

Although it is true that the secularized culture doesn't carry in itself any moral value, it is also true, as we've seen, that if we want to look for moral values which are compatible with it, so that they may give it the strength of real morality without changing its nature or rendering it inconsistent, then we can do this only by understanding the liberty-independence embedded in individual consciousness and self-consciousness as *the* absolute meaning of human life. We've also seen that if the secular culture is to be a carrier of this moral value, then this must enter, as the only public moral value, the consciousness and sensitivity of the citizen-man of the street, irrespective of the extent to which he may be conceptually aware of it, and of his personal metaphysical, religious or ideological convictions. But there is nothing to suggest that something like this has happened or is under way. The liberal capitalist society, where dogmatic values have been devitalized and the awareness and sentiment of this unique secular value are largely absent, is today a society without values.

10. THE STATE AND MARKET ECONOMIES IN A SOCIETY WITHOUT VALUES. This observation brings me back to the terms in which Buchanan and Musgrave present the moral question in their discussion of the fiscal state, with a view to extend them in line with the claims made so far. These authors show a common view on two points. The first point is that no system of rules, and of objectives, organization and exercise of the political-regulative power of government, and no progress in the social sciences and in the techniques for managing the fiscal state and regulating markets, are in themselves capable of ensuring the good functioning of a public economy of the fiscal state and a private economy of the market. A technically good system of rules, and of objectives, organization and exercise of the political-regulative power of government, a good economic, political and social

science, and good techniques for managing the fiscal state and regulating markets are necessary, but not sufficient, because they must be supported by a certain amount of moral capacity by individuals. The second point concerns the concept of moral capacity, which as we've seen they conceive as an individual's capacity to have, independently of the obligations deriving from the law, respect also for the own interests and needs of the other individuals as members of the same human family, as interests and needs having therefore in society the same value as his own. Apart from differences in language and general intellectual background this is the concept of morality we find in Buchanan (Buchanan-Musgrave 1999, pp. 209 ff.) when he distinguishes between "moral anarchy", "moral community" and "moral order", in Hayek (1979), from whom Buchanan takes this classification, and in Popper ([1945] 1966⁵) when he introduces the ethical dimension of critical rationalism. And it is again this same concept that is referred to by Musgrave (Buchanan-Musgrave 1999, pp. 225 ff.), Berlin ([1958] 1969, pp. 122 ff.) and practically all social students when they discuss the ethical meaning of political liberty and social solidarity and justice.

This moral capacity is the basis of the capacity to let one's behaviour be guided by the principles of honesty in private and public life, of the sense of the state and institutions defined as the sense of the primacy of common (collective) interests over individual ones, of social solidarity, generosity and altruism. And a certain level of intimate agreement with such principles is clearly a necessary precondition for a good societal life. Even if I share Buchanan's pessimistic opinion that such individual moral capacity in contemporary liberal society is much less widespread and deep-seated than what the frequency with which it is professed and preached would have one to believe, no one would claim that it is completely absent. But the problem of an essentially secularized society is that this moral capacity, apart from being more or less

widespread and deep-seated, is “weak” and insufficient because it coexists with the absence of real moral values in the strong sense in which I’ve defined them.

In the liberal capitalist society the foundations of economic life are private property rights, the capitalist entrepreneurial spirit, the closely associated objectives of gain, profit and wealth, namely private economic welfare narrowly defined as access to the possession and use of economic goods, and their social recognition. There is nothing blameworthy in these facts and objectives, and historically they have played the role of a powerful engine for the creation and diffusion of wealth in the whole of society, both directly through the private economy of the market and indirectly through the indispensable support offered by the latter to the very existence and functioning of a public and social economy of the fiscal state. However a widely held opinion tends to identify the distinction-interdependence between the economic-legal-political dimension and the ethical dimension of the economy with the opposition between the “amoral (morally neutral)” objectives of gain and profit, and the “moral (morally good)” objectives of the “common good” and social justice, and in the existence of a natural tendency of the former to clash with the latter. From this opinion the other one follows that the private-competitive economic room of gain and profit must be caged and restricted by subordinating its amoral and antisocial motivations to the moral and social ones of the common good and justice, while the public political-cooperative economic room of governments, and of the institutions, organizations, associations and groups sponsoring the social interests neglected or damaged by gain and profit, must instead be enlarged. It has been observed with concern that the increased proliferation, reputation and influence of many NGO’s are both a symptom and a consequence of this

particular culture¹³.

Buchanan and Musgrave must be praised for the merit of having set their controversy on a totally different plane, by keeping clear of the enduring and yet fundamentally wrong conventional wisdom on the matter, and by recognizing the basic truth that the moral problem of economics doesn't lie in the opposition between the amoral objectives of gain and profit and the moral ones of the common good and social justice, but in the place occupied by the objectives of gain and profit in the system of priorities inhabiting the consciousness and sensitivity of the individual. This recognition, and the in-depth analysis of its reasons, are the substance of the general claim I've been arguing in this essay. There is nothing in private property rights, capitalist entrepreneurial spirit, gain, profit and wealth that renders them blameworthy things, but *they are not moral values*, as neither are moral values the individual and group interests they serve to satisfy, *nor, for that matter, the so-called common good and social justice*. By contrast, individual capacity to have moral values means individual capacity to place those facts and objectives, *within one's own consciousness and sensitivity*, in a system of priorities where they are subordinated to principles having the nature and strength of real universal moral values. In a culture and society without public moral values understood and recognized by all citizens, where such strong individual moral capacity is nonexistent, it is impossible to prevent gain, profit,

¹³An analysis of the complex universe of these end-of-century "moral" enemies of capitalistic profit, and of their numbers and increased capacity, in the era of globalization, to find interested support in governments, bureaucracies and big corporations (always ready to sponsor causes that may protect them from the hardships of competition), has been offered by David Henderson (2000), distinguished academic and former OECD chief economist, in last year's Wincott Lecture.

wealth, and more generally individual and group interests, from actually occupying the room left empty by values, and to prevent success and power, simply defined as the affirmation of the self *against* or *over* the others, and the *overcoming* of individual and group interests over each other, from becoming the only standard of morality¹⁴. In these conditions, even the most technically perfect system of rules, and of objectives, organization and exercise of the political-regulative power of government, as well as the most advanced and refined techniques for managing the fiscal state and regulating markets, will never have the capacity to effectively resist the strength with which the interests of individuals and groups, and in general of the holders of economic-political power, tend to reduce all private and public economic activity to a struggle for the acquisition of rent and privileges. In these conditions moreover it is unrealistic to think that it will be possible to rely on such a technically well-designed normative-organizational-political system. There are no reasons to expect the logic of overcoming, and of the struggle for rent and privileges, to stop short at the boundary of private and public economic activity carried out *within* a normative-organizational-political system accepted as a given constraint, imposed from the outside. That

¹⁴In a passage of *Nostromo* Joseph Conrad has expressed his vision of the absence of *real* moral values in human society with the following words: “The popular lore of all nations testified that duplicity and cunning, together with bodily strength, were looked upon, even more than courage, as heroic virtues by primitive mankind. *To overcome your adversary was the great affair of life.* Courage was taken for granted. But the use of intelligence awakened wonder and respect. Stratagems, providing they did not fail, were honourable; the easy massacre of an unsuspecting enemy evoked no feelings but those of gladness, pride and admiration. Not perhaps that primitive men were more faithless than their descendants of today, but that they went straighter to their aim, and were more artless in *their recognition of success as the only standard of morality* (my italics)”.

same logic is inevitably going to corrupt also the very production of rules, and the very objectives, organization and exercise of the political-regulative power of government.

More generally, as we have seen, a secularized liberal society where the public moral value of individual liberty-independence is nonexistent or too weak is a society which is liberal only in form but not in substance. This means that even the institutions and rules of its political liberalism, though recognized by the vast majority of citizens as non-renounceable goods, are destined to survive, if and for so long as they will survive, *only by inertia*. In other words, in so far as the present secularized capitalist society should remain, or become, a society without values, it would prove itself to be also incapable of facing the problems posed by its own evolution and coexistence with other cultures and values, without losing the heritage of political, legal and economic civilization which distinguishes it in a unique way in the contemporary world.

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