Erasmus Student Journal of Philosophy

#13 | January 2018

ESJP
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Editorial

In the thirteenth edition of ESJP welcomed the very first contribution by a Humanities student from the Erasmus University College. I am pleased that EUC students have found their way to ESJP and are keen to get involved. It is my hope that the ESJP will be and remain a broad platform, at which many philosophical disciplines are represented, reflecting the diverse nature of our students' interests and talents.

The thirteenth edition of the Erasmus Journal of Philosophy started off with an almost entirely new and fresh editorial board. We had to say goodbye to Art van Houwelingen, Jan-Philipp Siebold, Daniël Zevenhuizen, Joy Dijksman and Matthijs Geleijnse. I would like to thank all of them once more for their contributions to the ESJP, and I wish them the best of luck in their future careers. Luckily, I could still count on the great attention to detail of 'senior' editor, Dyonne Hoogendoorn. Also, I was very lucky with the great support Merel van de Poel who enthusiastically replaced Joy Dijksman as secretary for the ESJP.

Also I am delighted with the new editors that joined the ESJP this year. The open call for editors has attracted a great number of very skilled applicants. This resulted in the appointment of Jonasz Dekkers and Linde van Noord, who are both Double Degree students at the Philosophy Faculty. Both have shown great ambition and they took away a worry of mine by volunteering to carry on the ESJP knowledge regarding our design process. Also Öykü Ulusoy, Anne Albert van der Galiën and Hidde Witteveen, all second year students of the Research Master of the Erasmus Institute for Philosophy and Economics have joined the editorial board this issue. I am grateful for their very skillful insights and commentaries. Finally, Philosophy MA student Jamie van der Klaauw has joined the editorial board, who even contributed from across the pond. I am proud we have managed to edit such a high quality issue with this relatively inexperienced board. This can only be seen as reflection of everyone's great flexibility, effort and proficiency.

I would also like to thank the Advisory Board, for guiding me and the ESJP through this large transition. Also the Advisory board itself has gone through some changes. Matthijs Geleijnse has replaced Julien Kloeg. Julien has been involved with the ESJP from the very beginning, and he will certainly be missed. I wish him all the best for the future, and I hope our paths will keep crossing. Special thanks to Thijs Heijmeskamp, the eternal collective memory of ESJP and also to Matthijs Geleijnse who has always been ready to answer all of my many questions and supported me till the finish line.

Writing this, I realize once more how important intellectual cross fertilizations, support and collaborations are to foster inspiration and to develop ideas. In this issue, this is manifest in the increasing involvement of Double Degree students, the fruitful collaboration with EUC and the continuous contribution of EIPE. But it is also manifest in the many people I wish to thank for making this issue possible. Though I have named many, the list is still not exhaustive. So a final thanks to the authors and potential authors, who dared to voice their work and share it with a larger audience. And finally thank you teachers, professors and PhD students, for continuing to nominate and review our papers. I am thoroughly grateful to be part of Rotterdam's philosophical and intellectual environment with its inspiring people. I hope ESJP will continue to enrich this environment for many more issues by expressing the work of our students and by connecting everyone involved.

Manon Dillen

Editor-in-chief

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About the Erasmus Student Journal of Philosophy

The Erasmus Student Journal of Philosophy (ESJP) is a double-blind peer-reviewed student journal that publishes the best philosophical papers written by students from the Faculty of Philosophy, Erasmus University Rotterdam and from the Humanities Program of the Erasmus University College. Its aims are to further enrich the philosophical environment in which Rotterdam's philosophy students develop their thinking and bring their best work to the attention of a wider intellectual audience. A new issue of the ESJP appears on our website every July and December.

To ensure the highest possible quality, the ESJP only accepts papers that (a) have been written for a course that is part of the EUC or Faculty of Philosophy curriculum and (b) nominated for publication in the ESJP by the teacher of that course. Each paper that is published in the ESJP is subjected to a double-blind peer review process in which at least one other teacher and two student editors act as referees.

The ESJP encourages students to keep in mind the possibility of publishing their course papers in our journal, and to write papers that appeal to a wider intellectual audience.

More information about the ESJP can be found on our website:

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Contact: esjp@fwb.eur.nl

ISSN: 2212-9677

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In this issue

In 'Reinventing Liberalism: Towards a Paradigm Beyond the Homo Economicus', Mathieu van Kooten describes how neoliberal hegemony is a deeply disseminated governing rationality that puts the economy at the centre of society, its institutions, and human understanding and action. Van Kooten argues that if neoliberal rationality and the homo economicus remain at the centre of human understanding and action, the erosion of the institutions, values, and morality organised by non-market rationalities will persevere. Van Kooten approaches this problem by exploring the essentially Christian roots through which the modern Western individual was invented. The acknowledgement and understanding of these religious and moral roots can open up a new perspective of reinventing liberalism and formulating a comprehensive morality for the future.

In 'Invariance: An Argument for Historical Specificity', Anne Albert van der Galiën engages with the problem of historical specificity. This problem refers to the idea that different socioeconomic systems may require different theories, each tailored to a particular socioeconomic system or systems. Van der Galiën argues that historical specificity should be incorporated by economic theories, something that at the time of writing is certainly not the case. He does so by appealing to the notion of invariance, a notion developed by Woodward (2005) as part of his theory of causation. Adopting the notion of invariance as a requirement for causal generalizations implies that any causal generalization is historically sensitive, which in turn implies that economic theories should be historically sensitive.

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Reinventing Liberalism

Towards a Paradigm beyond the Homo Economicus

Mathieu van Kooten

1. Introduction

The liberal tradition, in its broadest sense, has had a prominent role in shaping Western society as we know it today. Most notably, liberalism has been a central force in the liberation of countries and their citizens from aristocratic feudalism as well as political and religious paternalism. Furthermore, liberalism, especially through its moral foundations, has shaped our perspective on individuals as free, autonomous, and equal beings. The first liberals were those in search of a new order after the chaotic times of early industrial capitalism and three late 18th century political revolutions—the American, Dutch, and French—that had turned society and politics upside down. Central to these developments were principles of freedom of conscience and religion, freedom of thought and speech, the division of governmental powers, and rights of private property and economic freedom (Starr, 2007). The leading figures in the development of these principles were, among others, John Locke, Charles de Montesquieu, Alexis de Tocqueville, and John Stuart Mill. Based on the thoughts, principles, and moral convictions of these leading figures, notions like the rule of law and the free market developed, resulting in a metamorphosis of Western society from a deeply religious, feudal, and unequal society, to one with a secular, liberal democracy in which personal rights and liberties are upheld and protected by the state and its institutions.

These rights and liberties that protect individuals from unsolicited interference with their private lives and property created a stable basis for economic progress. This is not to claim, however, that liberal thought has been completely consistent and unambiguous throughout different regions or time periods. Despite the lack of unanimity among liberals, Fawcett (2014) identifies four broad ideas that served as a foundation for liberalism and reoccurred throughout the history of liberal thought: the acknowledgement of inescapable ethical and material conflict within society, distrust of power, faith in human progress, and unconditional respect for individuals. Thus, even though there is no canonical version of liberalism itself, these four ideas indicate that liberalism in general can be regarded as the search for an "ethically acceptable order of human progress among civic equals without recourse to undue power" (ibid., p. xv). Rooted in moral convictions of equality and freedom, the purpose of liberalism, therefore, is to create the conditions for a society in which each citizen can realise his or her aims without unsolicited interference, and fully develop his or her capacities to the benefit of society.

Throughout recent history, however, critical thinkers like Wendy Brown have come to address the discontents that are paired with the 20th century resurgence of liberalism: neoliberalism. Brown argues that neoliberalism is profoundly destructive to the ideas that lie at the basis of our liberal democracy, since it is a deeply disseminated governing rationality that puts the economy at the centre of society, of its institutions, and of human understanding and action. More specifically, with the dawn of neoliberalism came the extension of market values such as competition into all areas of life, including the economy, politics, and society. As Foucault described in his lectures at *Collège de France*, through neoliberal governmentality these market values became an integral aspect of understanding, action, and even *being*. This governmentality is a mentality in which people are governed and govern themselves by means of educating desires and configuring habits, aspirations, and beliefs with 'investment' and 'competition' as its operative terms. In other words, what is taking place is an economisation of heretofore noneconomic spheres and activities. Con-

sequently, neoliberal governmentality has put forth a new anthropology, one that takes the individual as a homo economicus: a purely rational, calculating, and self-interested agent. Therefore, through this hegemonic neoliberal discourse, the wide liberal tradition, despite its rich history in which it was ultimately concerned with notions of good and evil, becomes generally focused on the endorsement of market values, overshadowing the robust moral convictions that shaped the liberal tradition.

These moral convictions of the liberal tradition have been an essential aspect of the aforementioned metamorphosis of Western society into a liberal democracy where the individual is deeply respected, and its rights and liberties are upheld. As the moral aspects of human agency have been of considerable importance in these achievements, it would be somewhat naïve to expect that a society in which the homo economicus finds its natural habitat will be able to thrive once all its domains are fully economised through neoliberal governmentality. It is therefore imperative to reconstruct the identity of the modern Western individual, which became conflated with the notion of the homo economicus. In this paper, this reconstruction involves the exploration of the essentially religious and moral roots through which the modern individual was invented. The invention of the individual and the modern West is often attributed to the victory of reason over religion, of the Enlightenment over Christianity. This historical narrative, however, is in dire need of being revisited, since the individual was not invented through the Enlightenment battle with Christianity, but more so through the morality of the Christian tradition, which emphasised the unconditional value of the individual, the common good and, crucially, self-improvement. The reconstruction of the modern Western individual therefore involves the exploration of the essentially religious roots of (secular) liberalism and the modern individual that is constituted through the moral responsibility of each individual as proclaimed by St. Paul. The contemporary relevance and necessity of a moral outlook on human thought and action can be found in the writings of J. S. Mill and Charles Taylor, who both stress the need for an orientation towards the good.

The historical narrative of liberalism and its Christian moral roots, as described in this paper, could help to understand the increasingly economised society we live in today, and therefore create an historical awareness that might spark a debate about working towards overcoming the discontents that are paired with neoliberalism. The main objective of this paper, therefore, is to regain understanding of the essentially Christian roots of the modern individual in order to grasp the discontents and limitations of the neoliberal homo economicus. Ultimately, however, the intent of this paper is not to end the debate but to foster a more fruitful discussion about the way in which liberalism could be reinvented to help create and sustain an ethical society.

In order to understand the anthropology of the homo economicus, the constitution of the Foucauldian concept of governmentality in the context of neoliberalism will first be described and analysed. Secondly, the narrative of the Christian roots of liberalism, as distinct from the Enlightenment narrative that emphasises ancient Greek roots, will be explained, as well as the moral developments that those Christian roots instigated. Thirdly, the relations between liberalism, Christianity, and secularism will be identified to deepen understanding of secularism as a sphere of morality, individual conscience, and free action. Lastly, a discussion will follow in which the discontents of neoliberalism will be discussed in relation to the religious roots of liberalism, in order to work towards a normative understanding of the problem at hand.

2. Neoliberal governmentality and the homo economicus

With the introduction of neoliberalism, a new set of politico-economic practices was instigated, one that proposes that human well-being can best be advanced by a focus on individual entrepreneurial freedoms and skills "within an institutional framework characterised by strong private property rights, free markets, and free trade" (Harvey, 2007, p. 2). Therefore, similar to the classical liberal tradition, individual freedom is a key tenet of neoliberalism. This might, however, be one of the few parallels between liberalism and neoliberalism, since the latter mostly focuses on freedom in entrepreneurial terms. Nevertheless, in contemporary society the neoliberal paradigm has a profound influence, since it causes economic values to become increasingly embedded in all aspects of life. Therefore,

neoliberalisation has expressed itself in the economisation of everything, including heretofore non-economic domains (ibid., p. 33). Consequently, what becomes central to society is neoliberal economic rationality, which endorses the view that human as well as institutional action is rational entrepreneurial action "conducted according to a calculus of utility, benefit, or satisfaction against a microeconomic grid of scarcity, supply and demand, and moral value-neutrality" (Brown, 2005, p. 40). In short, therefore, neoliberalism has become hegemonic as a mode of discourse (Harvey, 2007, p. 3).

Hegemony, a term developed by Gramsci (1978), refers to a specific interplay between coercion at the level of the state and consensus at the level of civil society, which constitutes a dominant worldview as well as a certain power balance in society. This hegemony, however, is not imposed aprioristically, but develops through complex relations between the social, the economic, and the political. In the neoliberal context, this hegemonic mode of discourse refers to the fact that neoliberalisation has pervasive effects on the way individuals think and communicate, since neoliberal thought has become incorporated into the way many individuals understand the world. Most accounts of the discontents with neoliberalism, therefore, address the hegemony that it installed. Neoliberal hegemony causes an erosion of opposing political, moral, or subjective claims that are located outside the realm of neoliberal rationality, yet inside liberal democratic society. Consequently, institutions, venues, and values that are organised by non-market rationalities are eroded (Brown, 2015). Of course, exceptions are to be found and the hegemony might not have been fully established, but what critics address is the increasingly widespread dominance of this neoliberal rationality, due to a constant pressure on individuals, caused by the neoliberal hegemony, to understand the world around them through the neoliberal paradigm.

2.1 Governmentality and the neoliberal subject

A useful concept in furthering the understanding of the political dimension of neoliberalisation is governmentality, a concept that Foucault defines as an apparatus of administrative power "that has the population as its target, political economy as its major form of knowledge, and apparatuses of security as its essential technical instrument" (2007, p. 108). Governmentality is a technique of governing mentalities in such a way that they become internalised in the subjects. In the case of neoliberal governmentality, these mentalities include norms related to political economy, that is, the economy at the level of the entire state. The apparatuses of security that Foucault describes are directed at gaining security and a feeling of well-being for people in order to manage the population. Consequently, the most effective way for neoliberal values and principles to be actively instituted, maintained, and reinserted at all levels of society is through neoliberal governmentality, which educates desires and configures habits, aspirations, and beliefs with market-based values such as 'investment' and 'competition' as its operative terms (Li, 2007, p. 275; Read, 2009, p. 29). Thus, through neoliberal governmentality social life is regulated from its interior, which is the most effective way in which power can achieve an effective command over a whole population (Hardt & Negri, 2000, p. 24).

Foucault interprets the neoliberal ideal to be the new regime of truth; it is a manner, or mentality, in which people are governed and govern themselves. Therefore, governmentality should not be interpreted as an evil, top-down implementation of a conspiracy by a supposed neoliberal class. On the contrary, producer and product are both neoliberal subjects, which means that humans produce, and humans are produced at the same time (ibid., p. 136). In other words, neoliberal economisation does not only manifest itself through coercion at the level of the state, but often even more so through consent at the level of civil society. Neoliberal governmentality, therefore, brings together the government of others (subjectification) and the government of one's self (subjectivation) (Hamann, 2009). As Foucault described, whereas in the disciplinary society the relationship between the individual and power was a top-down, static one, the relationship in a control society is open, and it extends throughout the depths of the consciousness and bodies of individuals, meaning that with this governmentality, freedom of the individual and regulation of the population are subtly intertwined (Deleuze, 1992; Hardt & Negri, 2000, p. 24). Thus, neoliberal governmentality is the strategic production of the social conditions conducive to the constitution of the homo economicus, a specific form of neoliberal subjectivity.

2.2 The homo economicus

As was mentioned in the previous paragraph, the subject that is produced by the neoliberal governmentality can be called the homo economicus; an archetypal species created after a specific image of the economy (Brown, 2015, p. 10). This entails that the homo economicus is a free and autonomous 'atom' of self-interest, fully responsible for navigating life in society using rational choice and cost-benefit calculation. This atomistic outlook on human agency endorses the view that the homo economicus is a self-reliant and self-interested agent, responsible for realising its own objectives in a rational, calculative, and competitive manner. Within the neoliberal paradigm, social existence, that is, interaction or association between these atoms of self-interest, can therefore only be viable when understood as a contract based on personal utility rather than a manifestation of communitarian ideals. Thus, in the neoliberal paradigm every attempt of this homo economicus to realise its ends—from building relationships, to education, to spending time with friends—can be interpreted economically, according to a specific calculation of costs and benefits (Read, 2009, p. 28).

Consequently, the concept of the worker has been eradicated; it has been converted into human capital (Foucault, 2008, p. 226). In contemporary society, the individual is mostly regarded as a small enterprise (human capital) that has to identify its skills, put them on the market, differentiate them from the skills of others in light of competition, and propose these talents for a certain price. Just as the concept of the worker was eradicated, wages become the revenue that is earned on an initial investment, such as getting an education, which is an investment in one's skills and abilities. Furthermore, any activity that increases expected revenue, like moving abroad, taking an extra course, creating a resume, or participating in 'networking events', is a further investment in this human capital. As this account of the homo economicus demonstrates, governmentality is indeed a very effective means to impose market values in such a way that they become an integral aspect of both understanding and action, and even of being. Finally, the notion that might best describe the homo economicus, taking all its features as described above into account, is the 'entrepreneur of himself' (ibid.). For Foucault, the homo economicus is an entrepreneur of himself in the sense of "being for himself his own capital, being for himself his own producer, being for himself the source of [his] earnings" (ibid., p. 226).

2.3 Liberalism and neoliberalism

The societal consequence of neoliberal governmentality and the subsequent creation of the homo economicus is that exploitation, domination, and inequality are rendered invisible as socio-political phenomena to the extent that the social condition of each individual is simply regarded as the effect of his or her own choices and investments, given that the homo economicus is perceived of as a rational, calculating, and self-reliant entrepreneur of the self (Brown, 2005, p. 43; Read, 2009, p. 43). One might object to this, however, that this has been the case with liberalism long before the dawn of neoliberalism as well, but Brown (2015, p. 33) provides us with three ways in which the contemporary economisation of subjects by neoliberal governmentality is distinct from liberal thought.

Firstly, in contrast with for example classical liberalism, "we are everywhere homo oeconomicus and only homo oeconomicus" (ibid.). Classical liberals were well aware of the distinction between politics and economics, and many of them were wary of economic values having an excessive influence on politics, morality, and ethical life (Sedlacek, 2013, p. 255). Secondly, homo economicus is perceived of as human capital seeking to strengthen its competitive position, rather than as an agent of exchange or interest. The neoliberal homo economicus, then, is rather different from the classical liberal individual that has a "propensity to truck, barter, and exchange one thing for another" (Smith, 1776/1999, p. 117). As Foucault (2003, p. 194) explains, classical liberalism holds exchange at the centre of society, since not only relations in the marketplace but also certain freedoms, rights, and liberties can be interpreted in terms of exchange. With neoliberalism, however, the focus on exchange is replaced by a focus on competition. While exchange was considered to be natural, competition is understood by neoliberals to be an artificial relation that must be protected from monopoly and state intervention, and therefore a constant re-establishment of neoliberal values is needed. Consequently, this subjectification of individuals as competitive creatures, through neoliberal governmentality, actively constitutes and reinforces the anthropology of the homo economicus. Lastly, the homo economicus, as human capital,

is extremely concerned with self-investment and self-marketing through likes, followers, and retweets, but also through consumption, leisure, and education, which are all strategic decisions aimed at enhancing its portfolio value in all domains of life (Feher, 2009, p. 30). As Mirowski (2013, p. 92) argues, social networking sites like Facebook are neoliberal technologies *par excellence* since they actively nudge individuals to embrace and invest in their entrepreneurial selves. This strikingly points at the subtleness of neoliberal governmentality that does not only actively constitute the homo economicus through particular policies, but more so through the very mundane practices and technologies that surround us in everyday life.[1]

Thus, whereas liberalism portrays the economic man as a man of exchange, neoliberal governmentality sets out to ensure that individuals "assume market-based values in all of their judgments and practices in order to accumulate sufficient qualities of human capital" (Hamann, 2009, p. 38). Ultimately, through this process the subject of the homo economicus is constituted; a 'free' and autonomous atom of self-interest.

3. Liberalism: child of modernity?

As was mentioned in the introduction, in order to gain deeper understanding of the discontents with neoliberalism, it is imperative to assess the roots of liberalism itself. Wall (2015, p. 4) states that while there might be some anticipations of liberal ideas in ancient and medieval thought, "liberalism is widely, and correctly, viewed as a modern development". Among many others, Wall puts forward the thesis that Enlightenment thinkers, in contrast with those in the preceding dark ages, believed in human freedom and progress, and therefore broke with traditional and hierarchical beliefs and institutions—especially the church—that supposedly had always prevented a march towards human freedom. This thesis ultimately denies, or at least heavily relativises, the role of religion and the Judaeo-Christian heritage in shaping the modern West as we know it. Already during the Enlightenment this view was held, and institutions like the church were frequently attacked with strong words, such as Voltaire's famous "*écraser l'infâme*", which translates to "crush the infamous one" (1763/2000, p. xv). Furthermore, it is widely argued that the modern secular movement, which was interrupted by the age of faith in the Middle Ages, is part of a continuum which reaches back to the ancient past. Thus, at the core of this thesis we can find the assumption that the modern West as we know it is a child of modernity, and thereby, through the Enlightenment, a grandchild of ancient Greece. That this narrative is widely held is perhaps best illustrated by the first draft of the European constitution in which "Europe's debt to ancient Greece and Rome was solemnly acknowledged. So, too, were the achievements of the Enlightenment. About the Christian roots of European civilisation, however, there was nothing" (Holland, 2008).

A few contemporary thinkers, however, have questioned the legitimacy of the claim that liberalism is a child of modernity, by showing that the liberal conception of the free individual did not originate in ancient Greece, but rather gradually developed during the time of early Christianity and the Middle Ages, in which religion played an essential role (Siedentop, 2014, p. 349; Zakaria, 2003, p. 32; Holland, 2008). As Zakaria (2003, p. 31) mentions, the obsession with ancient Greece from the Renaissance onwards is partly based on fantasy. Ancient Greece was indeed an extraordinary culture in which science, philosophy, music, and other arts gloriously developed. However, the perspective that the ancient Greeks had of the self and its relation to society was fundamentally different. In the following paragraphs, the ancient Greek individual will be contrasted with the Christian notion of the individual to show that the modern individual was not invented through the Enlightenment battle with Christianity, but more so through the morality of the Christian tradition that started with St. Paul and culminated in the rise of liberalism.

3.1 Natural inequality in the ancient world

As Siedentop (2014, p. 18) explains, the world of antiquity was divided in a public and a domestic sphere, the latter not being a sphere of individuals, but rather a sphere of the family. This family, however, was not conceived of as an association of related individuals, but rather as a small, independent church. The natural inequality of roles was fundamental to the Greek family and society, since the *pater familias*, the head of the family, was both the magistrate as well as its high priest of this church called the family (ibid., p. 9). The pater familias had absolute authority, and was seen as the keeper of the sacred fire and the preserver of the family cult. As Fustel de Coulanges (1864/2001, p. 40) wrote in his book *The Ancient City*, the

ancient family was both the focus and the medium of religious belief, and ultimately an instrument of immortality. Thus, something more powerful than birth, affection, or physical strength united the ancient family, it was "the religion of the sacred fire, and of dead ancestors" (ibid., p. 31).

The centrality of the religious family also had its impact on the gra-dually developing larger associations, like the *gens, phratries*, and, finally, the *polis* (ibid., p. 98).[2] The Roman and Greek institutions that emerged were similarly shaped by beliefs about sacred ancestors, most clearly indicated by the development of the idea of property rights. Property did not belong to an individual, it belonged to the family, and its importance resided in the fact that family property was integral to the family religion and worship. The Greeks and Romans understood society as an association of families, rather than as an association of individuals. Furthermore, family slaves, strangers, and aliens in both ancient Greece and Rome could not own property, since the holy soil of the city could not simply be appropriated from the ancestors and 'blasphemously' be given to strangers (Gorman, 1992, p. 7). Besides property rights, the freedom to rule was also unequally distributed in society and reserved to a relatively small aristocracy: "what effectively distinguishes the citizen proper from all others is his participation in giving judgement and in holding office" (Aristotle, trans. 1992, p. 169). All others, including slaves, women, workers, and foreigners, were not regarded as citizens since they were considered incompetent of giving judgement and holding office (Isin, 2002, p. 30).

Thus, society was seen as an association of families, and later larger associations, and anyone who did not find a place in this hierarchical scheme of relations was regarded as an outcast. In other words, *natural inequality was the mode*. In the aristocratic society of ancient Greece, different levels of social status reflected inherent differences of being (inherent inequality of nature), which meant that logos (reason) was virtually inseparable from the hierarchical ordering of things (Siedentop, 2014, p. 52). Therefore, Siedentop (ibid., p. 15) states that the 18th century Enlightenment thinkers failed to notice that the ancient family, based on the belief in natural inequality, began as a veritable church, which constrained its members to an extent that can scarcely be exaggerated. The individual as we know it had not been invented yet, and therefore we cannot speak of the ancient individual as one that is free in a modern liberal sense.

3.2 St. Paul and individual moral agency

The aforementioned aristocratic model began to crumble around the first century B.C., when the relentless spread of centralised Roman power undermined the widely held views about citizenship and (in)equality. This went hand in hand with new philosophical developments, especially in the Platonic tradition, that headed in a more mystical direction (Siedentop, 2014, p. 53). Consequently, ethical thought was gradually reshaped and moral rules were less and less considered as rational conclusions derived from the nature of things, as was the case in the aristocratic model of natural inequality, but rather as commands from the Absolute. As Siedentop notes, the image of the Absolute, a single God who imposes his laws on his people, strikingly paralleled "the experience of peoples who were being subjugated to the Roman imperium" (ibid.). Spurred by these developments in the first century of the Common Era, a new kind of liberty, and subsequently a novel perception of the self, came to the fore; one that contrasted with the 'old' type of liberty that was prevalent in ancient Greek society.

A new figure emerged on stage, named Jesus of Nazareth, who preached that he was the son of God and that those individuals who would repent of their sins could enter the kingdom of heaven. For the first time in history, the *individual* replaced the family as the focus of immortality (ibid., p. 58). The teachings of Jesus were revolutionary in the sense that they provided a new way of looking at the world: through individual moral agency. The earliest surviving writings about Jesus and his teachings can be found in the work of St. Paul, for whom faith in Jesus Christ is an act through which human agency can become the medium for God's love. All individuals are invited to embrace this new rationality and change their mindset: "repent, and believe in the good news" (Mark 1:15).[3]

Paul thus overturns the theretofore widely held view of natural inequality by creating an inner connection between divine will and human agency. The leap of faith of changing one's mind through becoming one with God through Christ is an invitation to seek a deeper self. This act of faith consists in an inner crucifixion (i.e. leaving the sinful nature behind), exemplified by the crucifixion of Jesus himself. Through this 'Christomorphosis', human beings experience moral renewal since they are invited

to respond by becoming virtuous and thus share in the divine nature, to become like God himself (van Kooten, 2014, p. 403). Therefore, individuals can, through this personal transaction based on love, be transformed in another, better self: *human identity is reconstructed*. Because all humans are inherently equal through their personal relation to God, the most important law in Christianity has always been: "You shall love your neighbour as yourself" (Galatians 5:14). This message thus provides a novel ontological foundation for the individual. As van Kooten (2014, p. 403) explains, Paul's essentially original and coherent anthropology contains a strong sense of solidarity and unity of human beings and God, and this human-divine correspondence presupposes and results in moral like-mindedness. This new anthropology provides human beings with an opening for moral improvement, through the encounter with God's moral excellence.

3.3 The impact of the pauline anthropology

What are the social, cultural, and political consequences of the writings of Paul, which Siedentop (2014, p. 58) describes as a moral earthquake? The implication of Paul's message is that the individual is more than whatever social position or affiliation he happens to occupy. In other words, a gap opens between individuals and their role in society (ibid., p. 62). As Paul states: "There is no longer Jew or Greek, there is no longer slave or free, there is no longer male and female; for all of you are one in Christ Jesus" (Galatians 3:28). The crucial point to of this bible verse, that is directed not only to Jews but to everyone, is that the relation with the Absolute, the source of all being, constitutes a primary identity that is not based on social standing, as was the case in the ancient Greek society where natural inequality was the mode, but on individual moral agency. All other social roles, whether father, daughter, official, or slave, become secondary to this primary role.

As Neutel (2013) notes, this message of Paul is a utopian and cosmopolitan ideal of community, it is an exercise in imagining alternatives to society as it is. Ethnic, gender, sexual, economic, or social differences are not relevant anymore; every human being is created after God's image (Genesis 1:27), and therefore equal. Consequently, all existing social relations are open to scrutiny, and Siedentop sees this principle developing in European history, undermining the moral foundations first of slavery and then of serfdom. It should be emphasised that this was not a linear process that started with Christianity and completed with contemporary notions of equality: the process was slow, painful, and incomplete. Nevertheless, Christianity, starting with St. Paul, endowed the West with "a kind of constitution, a sense of the limits of the legitimate use of public power, [and] limits established by moral rights" (Siedentop, 2001, pp. 196-7). Thus, the rise of the Christian Church is the first important source of individual liberty in the West, and our modern understanding of human agency, and therefore of individual liberty, has its roots in the moral intuitions of Christianity (Zakaria, 2003, p. 31).

4. Liberalism, christianity, and secularism

The modern understanding of the individual can thus be traced back to the beginning of Christianity, with St. Paul's message of the morally responsible individual at its core. As the writings of multiple classical liberals demonstrate, liberalism can be seen as a political culmination of this emphasis on moral agency, since 19th century liberalism was optimistic and imbued with strongly held moral convictions (Fawcett, 2014, p. 74). One of the writers that signifies this connection between liberalism and its moral roots is John Stuart Mill, who describes the importance of religion in addressing the good life. Furthermore, in this section the connection between secularism and Christianity, as well as the contemporary relevance of morality as explained by Charles Taylor, will be highlighted, in order to arrive at a deeper understanding of the connection between liberalism, Christianity, and secularism.

4.1 Mill and the *summum bonum*

The writings of John Stuart Mill on religion are an often-neglected topic in secondary literature, mostly because they challenge the long-standing view that liberalism and conceptions of the best life, the summum bonum, are inherently opposed (Devigne, 2006, p. 15). Mill argues that "with the decline of polytheism came Greek philosophy; with the decline of Catholicism, the modern [philosophy]" (Mill, 1985a, p. 577). In other words, when religions are incapable of explaining the meaning of life to ordinary humans, a vacuum develops which causes new philosophical and scien-

tific explanations to come forward. This vacuum was also present in the 18th century, the time of the Anglo-Scottish Enlightenment, when compromise had to be made: Christianity became less legitimate with the declining authority of the church, and the individual became liberated from bondage to superstition and ecclesiastical authority (Devigne, 2006, p. 17). Even though Mill praises this liberation of the individual from ecclesiastical authority, he argues that this religious compromise with the Enlightenment also created unforeseen costs, since the new paradigm that was set into place did not teach anything else than an enlightened rational obedience to liberal rules of justice, overlooking the need to address the need of an idea of the good life.

As Mill (1985b, p. 421) argues in *Utility of Religion*, religion, like art, should establish something more than merely the devotion to practical aims, it should create a strong image of what human perfection is, and how it can be attained. Mill explains that this essential feature of Christianity has been lost in modern times, through the aforementioned compromise with enlightenment thought. Consequently, most English liberals tend to ignore the fact that the modern justice system only compels general obedience to the law, and cannot substitute morality in general in formulating the good life. Thus, if liberalism is to generate a comprehensive morality for the future, according to Mill, Christianity will have to develop dialectically so that it creates a culture, adapted to civil society, that makes human flourishing possible: the sublation of thesis and antithesis "into the synthesis of a comprehensive morality of the future, is the liberal philosophers' highest goal" (Devigne, 2006, p. 25).

4.2 Christianity and secular liberalism

One might discard a call to morality and acknowledgement of Christian roots based on its seeming opposition to the secular state. The roots of this seeming opposition may be found in the tendency of contemporary society to promote a hostile secularism, which teaches that religion is irrational and potentially dangerous, and it should therefore be quarantined in the private sphere (Ahdar, 2013, p. 418). But, even though secular liberalism is often presented as such, it is far from an objective, neutral, and value-free paradigm (ibid., p. 404). Rather, secular liberalism emphasises the importance of the conditions in which (religious) beliefs can be equally and freely formed and defended. More specifically, at the core of secularism we can find a belief in underlying moral equality of humans, which in turn implies that there is a sphere in which each should be entirely free to make his or her own decisions, especially regarding such fundamental aspects of life as religion. Therefore, Christianity itself, especially through its emphasis on the (moral) equality of humans, played an important role in shaping the discourse that gave rise to modern liberalism and secularism (Siedentop, 2014, p. 359). Siedentop even goes as far as saying that "secularism is Christianity's greatest gift to the world" (ibid., p. 360).

However, by promoting the view that secularism is synonymous to non-belief, indifference, and materialism, a great deal of the narrative of the roots of liberalism, as well as the connection with the moral intuitions that shaped Western thought, is lost. As Murray (2016, p. 262) argues, how can one expect that the notion of individuals as free and equal beings "is sustainable without reference to the belief that gave birth to it? Just because you are part of a tradition does not mean you will believe what those who originated that tradition believed even if you like and admire its results". Secularism, properly understood, is fundamentally based on the moral equality of humans as inspired by the Christian tradition, which implies that it creates a sphere in which each individual should be able and free to make his or her own decisions, a sphere of individual conscience and free action, and ultimately a sphere that is concerned with moral questions (Siedentop, 2014, p. 361). Therefore, if secularism is portrayed as inherently opposed to religion, instead of the outcome of the moral intuitions that shaped western thought, we are telling ourselves a very one-sided narrative. Even worse, we also undermine the moral intuitions that have been central to the narrative of liberalism.

4.3 Modern identity and morality

A thinker that might help to contextualise these thoughts and translate them to contemporary society is Charles Taylor, who describes the development of our modern understanding of what it means to be an individual (1989, p. 393). The current modern identity that developed out of several important historical transformations, including neoliberalism, has a problem regarding the search for meaning (ibid., p. 17). In contemporary Western society, God is dead for many and the existential predicament of fear for 'meaninglessness'

might be what defines our times (ibid., p. 18). This fear of meaninglessness out of the existential predicament is linked to the contemporary understanding of the self as a neutral and clean slate, as an individual that is not in need of any conception of the good life in order to make sense of life.

This view of the self, in turn, is linked to what Taylor describes as the 'projective view' of morality. This projective view is the Enlightenment-inspired assertion that qualities and values are epiphenomenal subjective illusions that we impose upon a value-neutral, mechanistic universe (Frisina, 2002, p. 16). The objection that Taylor has towards this supposedly 'objective' and 'neutral' view of human agency is that for human agents to make sense of our lives and the world around us they *need* an orientation to the *summum bonum*, a qualitative discrimination of the incomparably higher (Taylor, 1989, p. 47). To know who you are, is to be oriented in moral space, a space of meaningfulness, a space of what is good or bad. Consequently, a view of the self from a perspective stripped of this moral side cuts out a central part of our humanity, which is valuing the capacity to decide, in a meaningful dialogue with others, what truly matters to us, what makes life worthy and meaningful.

5. Discussion: a comprehensive morality for the future

In order to arrive at a normative analysis of neoliberalism, its roots and its potential future, let us recapitulate what has been established throughout the previous sections. The neoliberal paradigm became hegemonic in the sense that it deployed a governmentality that caused (and still causes) a widespread economisation of heretofore noneconomic domains, activities, and subjects. Consequently, the neoliberal subject was created: the homo economicus. This subject, also described by the notion 'entrepreneur of the self', is a fully rational, self-interested, and economised agent that is mainly concerned with self-investment and self-promotion to advance his or her competitive position in society. As many individuals will recognise, in contemporary society social networking sites are neoliberal technologies *par excellence*, illustrating the refined and subtle governmental techniques that make individuals embrace their entrepreneurial selves. This neoliberal paradigm that proposes that man is a free and autonomous atom of self-interest, however, overshadows the moral aspects of the individual since it mostly teaches rational obedience to the neoliberal 'rules of the game'. Since the neoliberal hegemony primarily 'forces' individuals to be free as a homo economicus, anything else related to the *summum bonum* is rendered irrelevant in the large scheme of competition and entrepreneurial action.

Thus, it seems that neoliberalism, as a resurgence of liberalism, has lost the 19th century morally-imbued optimism that liberals like Mill promoted. The writings of Mill, especially his *On Liberty*, therefore, are of great contemporary relevance. Mill already described the moral vacuum that came about through the religious compromise with Enlightenment thought, which did not teach anything else than an enlightened rational obedience to liberal rules of justice. Similarly, then, it can be argued that this compromise on the side of religion, or morality in general, has been taken even further with the rise of neoliberalism, which established a governmentalised hegemony of neoliberal rationality and, consequently, constituted the contemporary anthropology of the homo economicus. Thus, it can be argued that a new moral vacuum has been installed, since the homo economicus, as was argued in this paper, is becoming increasingly concerned with self-investment, self-marketing, and competition. As Geuss notes, we cannot expect to rid ourselves completely of our discontent with neoliberalism, but this thought itself is an assertion of the "strand [of liberalism] that is action-oriented but reflexively anti-utopian and asserts that no system either of action or thought is perfect" (2002, p. 336). Thus, the discontents with neoliberalism that have been described in this paper, most importantly the moral vacuum of the homo economicus, might therefore not necessarily be objections, but rather signs of the continuing vitality of the liberal tradition.

A new moral vacuum thus came about because neoliberal governmentality set out to ensure that individuals assume neoliberal, market-based values in all their judgments and practices in order to enhance their human capital. The robust moral convictions of the past and the concern for the *summum bonum* have been overshadowed in contemporary society, and as Taylor writes, this contributes to an existential predicament of fear for meaninglessness. As he adds, individuals need a moral orientation to the

good in order to make sense of life and attach worth and meaning to it, they *need* a moral orientation to the good in order to be human. Therefore, if the neoliberal hegemony and its anthropology keep governing human understanding and action, imperative aspects of humanity such as meaning, identity, and morality are becoming increasingly overshadowed by the rational obedience to the market-based, neoliberal rationality. One might object, however, that neoliberalism is an evolved kind of liberalism that similarly takes freedom as its core, with its own ethics that are more suited to the demands of the 21st century. Even though this claim is not completely invalid, one should still be critical and wonder whether freedom centred around entrepreneurial terms is the rich kind of freedom that allowed for the institutions and practices that gave rise to the liberal state and will be able to shape our future directed by identity and purpose. As Dilts strikingly states: "What are the ethics of a regime of knowing the self that treats oneself never as an end in itself, but always as a means toward an end, as a machine for the production of an income?" (2011, p. 145). Thus, the homo economicus, increasingly assuming market-based values in all of its judgments and practices, will have trouble to establish, in a meaningful dialogue with others, what truly matters, for the individual as well as for the greater good. The existential predicament of fear for 'meaninglessness' that Taylor describes can therefore only be addressed if the homo economicus becomes balanced with the moral roots of the individual, with an orientation towards the good that is not solely concerned with, and directed by, economic intentions and outcomes.

Why, then, is it imperative to stress the narrative of the Christian roots of liberalism and the West? As the narrative of liberalism in this paper describes, the roots of liberalism, and consequently the roots of our society, can be found in the invention of the individual out of an individual moral responsibility proclaimed by St. Paul, who overturned the rigid and widespread view of natural inequality by creating an inner relation between divine will and human agency. Consequently, there is a moral equality on which the primary identity of all humans is based. This narrative shows, in contrast with the narrative of liberalism as merely being a child of modernity, that the individual was not just invented through the battle between Enlightenment and religion, but through the morality of the Christian tradition which emphasised the unconditional value of the individual, the common good and, crucially, self-improvement. The Enlightenment was indeed a break from what had gone before, but it cannot count as a total rupture. As Holland (2008) states: "Just as the philosophes and their heirs could not help but draw on the ethical capital of faith they so insistently rejected, so, too, were the parameters of the evolving liberal state shaped by presumptions that were ultimately centuries old". Therefore, Christianity, through the freedom of conscience and the morally responsible individual, can be seen as the first important source of individual liberty in the West, as well as an undeniably integral part of the narrative and identity of Western history. The fact that this narrative is not generally acknowledged contributes to the fact that we have lost touch with the moral traditions that greatly shaped the course of Western history, creating the conditions for the homo economicus to exist.

It is imperative to stress that the development of this essential feature of Christianity was slow, painful, and incomplete. This paper is not an attempt to deny the profound impact that the Enlightenment had on the modern West, especially regarding the liberation of individuals from ecclesiastical authority and moral decadence. However, as Mill argued, the compromise on the side of religion in its broadest sense was, and is, too big, which in the end allowed for the hegemonic creation of the increasingly morally void habitat of the homo economicus. This secular habitat, however, should not be conceived of as an amoral one, since it is a sphere in which each individual should be able and free to make his or her own decisions, a sphere of individual conscience and free action. Keeping this in mind, a way opens up to start a serious and meaningful dialogue about the way in which liberalism can help create and sustain a comprehensive morality and ethical society in the future.

In order to work towards overcoming the discontents, there is a need for a reinvention of liberalism focused on formulating a comprehensive morality for the future and creating the conditions in which this comprehensive morality can develop itself. If neoliberal hegemony and the homo economicus remain at the centre of human understanding and action, the erosion of the institutions, values, and morality organised by non-market rationalities will persevere. The democratic values and institutions as we know them are increasingly becoming overshadowed by a cost-benefit and

efficiency rationale, weakening the strong moral foundations that they are built on. Therefore, a reinvention of liberalism is necessary. Not a reinvention in the sense of a reinstatement of the Christian religion or a reversal of neoliberalisation, but a historical and cultural reinvention with on the one hand the acknowledgement and understanding of the religious and moral intuitions that shaped Western history, and on the other hand a future perspective that takes into account the necessity of an orientation towards the good. In this way, the connection with the moral traditions beneath the surface of Western culture will be regained, opening up a new perspective for formulating a comprehensive morality for the future. The result of this reinvention, therefore, would be an understanding of history and human agency that will endow the West and its peoples with a stronger sense of identity and purpose.

Acknowledgements

Firstly, I would like to express my sincere gratitude to Christian van der Veeke, not only for inspiring me to pursue my interest in philosophy, but also for supervising my bachelor thesis with great enthusiasm. Furthermore, I would like to thank the editors and all others connected to ESJP, who encouraged me to look critically at my own writing and thereby allowed me to gain valuable insight and experience.

Mathieu van Kooten (1996) grew up in the Netherlands, and graduated cum laude from Erasmus University College (EUC) in 2017, with a major in Philosophy, Politics, & Economics. After three years at EUC, he proceeded with a Master degree in Philosophy at Erasmus University, where he is currently enrolled. Besides pursuing his academic interests, Mathieu plays piano and trumpet, and is interested in music, politics, and philosophy.

Notes

1. In hegemonic terms particular policies are based on coercion, whereas mundane practices and technologies point at consent.

2. Whereas the gens was a family of individuals with descent from a common ancestor, the phratries, a larger form of association, refers to the social division within Greek tribes. Lastly, the polis, an even larger form of association, refers to the cities in ancient Greece.

3. To repent in Greek is μετανοια, which translates as changing one's mind or purpose (Boda & Smith, 2006, p. 90).

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ESJP
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Invariance: An Argument for Historical Specificity

Anne Albert van der Galiën

I. Introduction

Across space and time, various socioeconomic systems have existed and still exist, each with its own features and characteristics that distinguishes it from other socioeconomic systems. For example, the form of capitalism in the modern Western world is a socioeconomic system distinct from, and presumably much more complex than, the socioeconomic system that shaped tribal life. One could also claim that the socioeconomic system in place in the Scandinavian countries nowadays is a different system than, or at least differs in some significant respects from, the socioeconomic system in current-day United States. Acknowledging this fact raises the following question: is it possible to analyse, explain, and predict phenomena in those different socioeconomic systems by using the same theories and models, or is it necessary to develop different theories and models that each apply to different socioeconomic systems? This is the problem of historical specificity. As Hodgson puts it in *How Economics Forgot History* (2001), this problem of historical specificity "addresses the limits of explanatory unification in social science: substantially different socioeconomic phenomena may require theories that are in some respects different" (p. 23). Note the 'in some respects', for it is likely that different socioeconomic systems still have a number of phenomena in common. Scarcity of resources, to take an example from Hodgson (2001), seems to be a characteristic that many, if not all, socioeconomic systems share.[1] The fundamental idea behind historical specificity is that despite those possible commonalities, socioeconomic systems may differ sufficiently to warrant theories and models that are tailored to the socioeconomic system at hand (Hodgson, 2001). Such theories tailored to a specific socioeconomic system or systems are labelled historically sensitive theories; phenomena that are relative to socioeconomic systems are labelled historically sensitive phenomena.

This essay intends to contribute to the discussion on whether economic theories and models should be historically sensitive and how such a historically sensitive science of economics may be developed. More precisely, it aims to argue in favour of historically sensitive theories by appealing to the notion of invariance introduced by Woodward (2005). Invariance applies to causal generalizations, and can intuitively be understood as a measure of the extent to which a causal generalization continues to hold under changes in the (putative) cause. For the problem of historical specificity, the most important feature of the notion of invariance is that it is relative to systems. That is, a generalization may be invariant (may hold) in one system, but not in another system. Woodward (2005) argues that theories of causal explanation should require generalizations to be invariant, instead of requiring generalizations to meet the criteria of lawhood. Lawhood refers to the idea that generalizations qualify as law only if they meet certain criteria such as exceptionlessness and universal validity. Based on this, the main claim made in this essay is that adopting the notion of invariance instead of the notion of lawhood provides one with a conceptual-causal framework that naturally incorporates historical specificity, or at least a framework that can deal properly with historical specificity. If Woodward (2005) correctly claims that invariance should replace the notion of lawhood, it follows that historical specificity—or at least relativity to a system or systems—is a natural feature of any causal generalization. In addition to the main claim, this essay shows that even though the problem of historical specificity is nowadays largely forgotten about and even considered obsolete (or so Hodgson (2001) argues), the idea of historically sensitive theories is consistent with some methodological statements of two prominent economists—Milton Friedman and Fritz Machlup. The point of showing this is not to give an additional argument

in favour of incorporating historical specificity in economics, but to suggest a strategic way to convince economists of the relevance of this notion.

This essay is structured as follows. In section 2, I provide some historical context surrounding the notion of historical specificity. Subsequently, I describe the notion of invariance in section 3. Section 4 studies the relation between historical specificity and invariance and argues that the notion of invariance naturally incorporates the notion of historical specificity. It also shows that the ideas of historical specificity and invariance are reconcilable with the methodological positions (or at least with some methodological statements) of Milton Friedman and Fritz Machlup. The last section concludes.

2. Historical specificity: origins and development[2]

Why is the problem of historical specificity important? If socioeconomic phenomena are historically sensitive, the importance is evident. For, supposing that socioeconomic phenomena are indeed historically sensitive, how could economists explain historically sensitive socioeconomic phenomena in different socioeconomic systems using the same theories and models? To the extent that those phenomena are relative to the system(s) in which they occur, this would indeed be impossible. Granted, an economist who is not aware of the supposed historical sensitivity of socioeconomic phenomena may develop a theory that works well in the context of modern-day capitalism, and he or she may never think about verifying the predictions of the theory or using the theory in the context of different socioeconomic systems. In such cases, not taking into account historical specificity seems to be not much of a problem—until a change in the socioeconomic system occurs, which in turn would result in an economist perplexed with the apparent lack of applicability of the hitherto well-working theory. Hence, though in the shorter run an economist may develop fruitful theories without being concerned about historical specificity, in the long run it will turn out—still supposing that socioeconomic phenomena are indeed historically sensitive—that the theory only applies to a specific socioeconomic system or some socioeconomic systems, and the necessity of historically sensitive theories will unfold.

The importance of the problem of historical specificity was widely recognized throughout the history of the discipline of economics. Specifically, Karl Marx and his followers, the German historical school, and the institutionalists attached significant importance to this problem and devoted considerable attention to it. However, inter alia due to the rise of Nazism and the subsequent World War II, which diminished the influence of the German historical school, interest in the problem of historical specificity withered despite it not being resolved yet. Economic principles became widely considered as universal principles, not attached to particular times or places. The purpose of this section is to present some historical context surrounding the notion of historical specificity—its origins, development, and the reasons for the contemporary lack of interest in this problem.

It should first be noted that around the beginning of the 1800s, the prevailing conception of history changed from the idea that there is some kind of 'natural order' around which history oscillates to the idea that history is a developmental process (Hodgson, 2001, 43-55). Hodgson (2001) listed some starting shots that were already given in the centuy before, such as the publication of books by Giambattista Vico (1725), Charles Baron de Montesquieu (1748), Adam Smith (1776), and William Robertson (1777), amongst others. Hegel's ideas about history as a developmental process, together with several revolutions in Europe overthrowing existing orders and aiming at progress, further supported ideas about the necessity to devote attention to particular historical circumstances.

This is where Marx enters the stage (Hodgson, 2001, 43-55). Influenced by Hegel's ideas about the dialectical course of history, Marx criticized 'bourgeois economists'—in particular Pierre-Joseph Proudhon—in a letter to Pavel Annenkov (28 December 1846) for regarding "economic categories as eternal laws and not as historical laws which are laws only for a given historical development" (quoted in Hodgson, 2001, p. 45). Accordingly, Marx' *Das Kapital* (1867) is about the capitalist mode of production, that is, a historically situated socioeconomic system characterised by particular relations between workers and owners of the means of production and particular laws determining the evolution of that socioeconomic system. In his *Zur Kritik der Politischen Ökonomie* (1859), Marx also presents a theory of socioeconomic change and outlines an approach for distinguishing dif-

ferent socioeconomic systems, both based on conflicts between 'material productive forces' and 'relations of production'.

Sometime before Marx, the older German historical school already argued that economic theories should be historically sensitive (Hodgson, 2001, 56-64). One important figure is Wilhelm Roscher, who published his *Grundriss* in 1843, a widely read book in which he spells out the so-called 'historical method' of research. Another important publication is Friedrich List's *Das Nationale System der Politischen Ökonomie*, where he shows how national economic development depends on particular historical features of a national economy. For example, List argues that though the economic principles developed by the classical economists may apply to developed nations such as the British, they did not apply to less developed nations such as Germany.

The ideas of the historical school did not remain confined to Germany. Most notably, in the British Isles historicist ideas were taken over by Richard Jones, John K. Ingram, and Cliffe Leslie, amongst others (Hodgson, 2001, 65-74). An event that played an important role in promoting historicist ideas was the Irish potato famine. The adopted *laissez-faire* approach to solving this famine turned out to exacerbate the effects of the famine (or so the historicists argued), thereby demonstrating that supposedly universal economic principles were in fact not universal after all. A success for the British historical school that should be noted is the acknowledgement of the problem of historical specificity by both John Stuart Mill and Walter Bagehot.

The younger historical school in Germany agreed with its predecessor—the older historical school—that theories and models in economics should be historically sensitive (Hodgson, 2001, 113-134). A notable figure of the younger historical school is Max Weber, who proposed a conceptual framework of 'ideal types'. Ideal types are agents in models that serve a theoretical and heuristic function, as means to understand more complex phenomena. Within this framework, Weber leaves room for analysis of general aspects of economic phenomena as a preliminary task. Such general analysis subsequently needs to be supplemented by more historical types of analysis in order to answer the questions that economists are interested in.

Unsurprisingly, not every figure or school in the history of economic thought agreed that economic theory should be historically sensitive. In 1883, Carl Menger published his *Untersuchungen* that turned out to be the kick-off of the *Methodenstreit* (Hodgson, 2001, 79-94).[3] In this book, Menger attacked the methodology of the historical school on four themes, amongst which the problem of historical specificity. Menger concluded that the science of economics should be based on universal principles, not on historically sensitive principles that may differ per socioeconomic system. This conclusion was based on the argument that individual action shapes all economic activity, supplemented with the argument that the individual self-interest motive (on which, Menger argued, economic analysis should focus) forms part of "the most original and the most general forces and impulses of human nature" (Menger, 1985, p. 86). Two other figures in the history of economic thought that merit mention here are John Maynard Keynes and Lionel Robbins (Hodgson, 2001). Both contributed to the neglect of the problem of historical specificity in the post-war period by engaging in general theorising without regard for historical circumstances. Lionel Robbins, for instance, defined economics as the science of individual choice under scarcity. Given that individual choice and scarcity are phenomena that all socioeconomic systems have in common, Robbins' definition made way for analysing socioeconomic phenomena in different socioeconomic systems by analysing the universal problem of individual choice under scarcity. John Maynard Keynes disregarded historical sensitivity by assuming that economic analysis is ultimately based on universal psychological laws.

Despite the importance attached to the problem of historical specificity in the history of economic thought, and despite the developments towards properly dealing with this problem, attention for and interest in historical specificity nowadays is close to non-existent. Conventional wisdom has it that the historical school simply lost the *Methodenstreit*. However, Hodgson (2001, 21-40) argues that this is not the case: though the historical school may have lost the debate on induction versus deduction, the debate on historical specificity was certainly not won by the opponents of historically sensitive theorising. More plausible reasons for the lack of attention for the problem of historical specificity that Hodgson (2001) lists are the inadequate methodological frameworks of the historical school, the mis-

conception that arguing in favour of historical specificity is tantamount to arguing against theory, the methodological transformation of economics and sociology in the 1930s, and the rise of Nazism and the subsequent World War II. With regard to the inadequate methodological framework, for the older historical school the main point of inadequacy concerned their naïve empiricism. However, the baby was thrown out with the bathwater: not only naïve empiricism was rejected, but many methodological tenets of the historical school, including the problem of historical specificity, were rejected as well. The younger historical school avoided naïve empiricist positions, but lacked time to develop an adequate alternative due to the rise of Nazism and the Second World War. The unfortunate misconception that being in favour of incorporating historical specificity in economic theory implies that one must be against theory seems to stem from the naïve empiricist tendencies of the older historical school. That this need not be the case becomes clear from the positions taken by the younger historical school. Lastly, the methodological transformation in economics initiated by Lionel Robbins (1932) was partially an attempt to bury the problem of historical specificity. Combined with the defeat of institutionalism in the United States in the 1940s and the breakdown of German academia in the Second World War, this made room for (certain kinds of) theories that ignored the problem of historical specificity.

3. Invariance[4]

In this section I concisely introduce Woodward's overall project, describe the notions of interventions and invariance, and present Woodward's arguments for his claim that the notion of invariance should replace the notion of lawhood in theories of causal explanation.

3.1 Woodward's Manipulability Theory of Causation

Woodward introduces the notion of invariance in his book *Making Things Happen* (2005) as a part of his overall project in which he develops a manipulability theory of causality and a corresponding theory of causal explanation. Before describing the notion of invariance in this essay, it is necessary to spend some words on Woodward's overall project. Woodward bases his theory on patterns of counterfactual dependence, specifically "pattern[s] of counterfactual dependence of the special sort associated with relationships that are potentially exploitable for purposes of manipulation and control" (Woodward, 2005, p. 13). An example is perhaps the most convenient way to sketch Woodward's theory.

One example that Woodward uses throughout his *Making Things Happen* concerns the relation between atmospheric pressure, a barometer reading, and the occurrence of a storm. Consider the generalisation 'If the barometer reading were to fall, a storm would occur' (G-1 for short). This generalisation highlights a pattern of counterfactual dependence between barometer readings and the occurrence of storms. However, given that we cannot manipulate or control the occurrence of storms by manipulating or controlling the barometer readings, this counterfactual relation between barometer readings and the occurrence of storms does not count as a causal relationship, and one cannot refer to (G-1) to causally explain the occurrence of storms. In contrast, take the generalization 'If the atmospheric pressure were to decrease, a storm would occur' (G-2). This generalization also highlights a pattern of counterfactual dependence; moreover, given that it is conceptually possible to manipulate or control the occurrence of storms by manipulating or controlling the degree of atmospheric pressure, this generalization counts as causal and can be used to causally explain the occurrence of storms.

Woodward's approach to causation is not entirely new. Manipulationist theories of causation have been developed by philosophers such as Gasking (1955), Collingwood (1940), von Wright (1971) and Menzies and Price (1993), though Woodward's theory differs from those in various respects. Non-philosophers have also endorsed a manipulationist approach of causation, most notably Cook and Campbell (1979) and Pearl (2000). Woodward emphasizes his indebtedness to Pearl (2000) for the formal framework that he uses to develop his manipulationist theory of causation. Despite Woodward's approach not being entirely original, his *Making Things Happen* became a very influential treatment of causation.

3.2 Interventions and Invariance

Woodward employs two notions that are important in enabling one to distinguish between causal and non-causal generalizations: *interventions*

and *invariance*. The notion of an intervention (Woodward, 2005, 95-151) describes how a putative cause should be manipulated in order to be able to verify whether or not changes in the putative effect occur. Intuitively, one can think of an intervention as an idealized experimental manipulation. Woodward describes the idea behind the notion of an intervention as follows: "An intervention on some variable X with respect to some second variable Y [where X and Y represent a putative cause and effect, respectively] is a causal process that changes the value of X in an appropriately exogenous way, so that if a change in the value of Y occurs, it only occurs in virtue of the change in the value of X and not through some other causal route" (Woodward, 2005, p. 94).[5] Note that the notion of an intervention is thus relative to the generalization under consideration; specifically, it is relative to the putative cause X and putative effect Y. It is possible that some causal process counts as an intervention on X with respect to Y, but not as an intervention on X with respect to Z.

Using this notion of an intervention, Woodward introduces the notion of invariance: "A generalization G … is invariant if G would continue to hold under some intervention that changes the value of X in such a way that, according to G, the value of Y would change— "continue to hold" in the sense that G correctly describes how the value of Y would change under this intervention" (2005, p. 15). Invariance, Woodward (2005, 239-245) claims, is a key feature that causal generalizations and causal explanations possess. For example, when applied to (G-1) we see that this generalization is not invariant: if we intervene on the barometer reading so that the reading would fall, a storm would nevertheless not occur as a result of this intervention. (G-1) thus fails to hold under interventions, and is therefore not invariant. Because it is not invariant, it does not count as a causal generalization or explanation. In contrast, the generalization (G-2) is invariant: if we would intervene on the atmospheric pressure so that atmospheric pressure would decrease, a storm would occur. Because (G-2) is invariant under interventions, it counts as a causal generalization or explanation.

Some more words on invariance. The most important feature of the notion of invariance for the problem of historical specificity is that invariance is relative to a system (Woodward, 2005, 245-254). Returning to the example of the ideal gas law, whereas this law has a considerable range of invariance under interventions when applied to a system of gases, the generalization is non-invariant under interventions when applied to a system of liquids. Hence, a generalization can be invariant in one system, but non-invariant in another system. Note that a system of gas may consist of the same elements as a system of liquids. For instance, both a gas and a liquid may consist of H_2O. It is thus not necessarily the case that different systems behave differently because they consist of different elements; the same elements may behave differently in different systems.

Woodward's focus is on invariance under interventions with regard to change-relating generalizations (2005, 245-254). The notion of invariance can legitimately be applied to non-change-relating generalizations (e.g. generalizations of the form 'All mammals have elastin in their arteries'[6]) or to invariance under changes in background conditions or changes in the values of variables that do not count as interventions. However, those forms of invariance are irrelevant for distinguishing between causal and non-causal generalizations, hence the focus on change-relating generalizations[7]. The question then arises when a generalization is a valid change-relating generalization. This is in fact a question of causal relata: what factors can be taken to be putative causes or effects? For Woodward, the relevant criterion here is whether there is a well-defined notion of changing the value of a given variable; in other words, we must be able to say what it is like to change or manipulate a variable. To take another example from Woodward, in an experiment testing the efficacy of some new drug, there is a well-defined notion of changing the value of the variable 'Subject received treatment' from 0 to 1 (i.e. from 'False' to 'True') by administering the drug. In contrast, suppose we have a variable that can take on the values 'Lizard', 'Kitten', and 'Raven'. In this case, we do not have a well-defined notion of what it is like to change a lizard into a kitten, or a raven into a lizard, for example. Hence, such variables cannot figure in causal generalizations because such generalizations would not be change-relating generalizations.

Another important feature of Woodward's concept of invariance is that it comes in degrees (2005, 257-265). Unlike traditional criteria for lawhood figuring in other accounts of explanation such as the

Deductive-Nomological model, a generalization is not either invariant or non-invariant. Instead, a generalization can be more or less invariant depending on two factors: first, the range of interventions under which the generalization is invariant, and second, the importance of the interventions under which it is invariant. Which interventions count as important depend on the subject matter or the domain. The interventions deemed important in microeconomics, for example, are likely to differ from the interventions deemed important in physics. A postulated microeconomic relationship, for instance, may lack invariance under surgical interventions on the brain structure of some individual, but the lack of invariance under such circumstances is rightly of not much concern to economists. In contrast, invariance under changes in the information available to an individual is important, given that information plays a key role in microeconomic theory. With regard to the range of interventions, Woodward uses the example of the ideal gas law and van der Waals force law. The first law postulates certain generalisations about the behaviour of some ideal hypothetical gas that approximates the behaviour of real gasses relatively accurately. The law breaks down, however, in circumstances in which intermolecular forces are important (e.g. at sufficiently high temperatures). Van der Waals force law, on the other hand, also continues to hold under interventions associated with circumstances in which intermolecular forces are important. Hence, van der Waals force law has a greater range of invariance than the ideal gas law. Returning for a moment to the system-relativity of invariance discussed above, that invariance comes in degrees implies that generalizations may have different degrees of invariance in different systems. The system-relative feature of invariance is thus no dichotomous feature.

3.3 Invariance as a Better Alternative for Lawhood

In his discussion of the notion of invariance, Woodward (2005, 239-314) often contrasts this notion with the notion of lawhood. Woodward argues that the standard way of thinking about universal laws is inadequate to base a theory of explanation on, for the reason that many generalizations do not fit neatly into the dichotomous classification of generalizations as either universal laws or purely accidental generalizations. According to Woodward (2005), in order to classify as a law, a generalization has to meet at least many of the traditional criteria for lawhood including exceptionlessness, absence of references to particular objects or spatiotemporal locations, projectability or confirmability by the instances of a generalization, support for counterfactuals, a wide scope, potentially integrable into a body of systematic theory, and the criterion that the generalization should play a unifying or systematizing role in research. A paradigmatic example of a law would be the field equations of General Relativity. A generalization such as 'Smoking causes cancer' would not qualify as a law. A problem that Woodward identifies here is that many generalizations that we do not regard as purely accidental nevertheless fail to qualify as a law. This does not only apply to generalizations in the social sciences such as economics or sociology, but also to generalizations in physics and chemistry (think for example of the ideal gas law discussed above and the generalization about smoking causing cancer). This seems to be an important limitation of theories of explanation based on lawhood: many generalizations accepted by scientists as valid would classify as purely accidental generalizations and would hence, according to such theories, not be suitable to figure in explanations. The response to this limitation in the form of relaxing the criteria for lawhood runs into another problem, namely that the distinction between paradigmatic laws of nature such as the field equations of General Relativity and generalizations that are emphatically not paradigmatic laws of nature such as the ideal gas law disappears.

The fundamental problem, then, seems to be the dichotomous classification of generalizations as either universal laws or purely accidental generalizations. The notion of invariance, Woodward contends, is much better suited as a basis for causal explanation, partially because it allows for classification in degrees instead of dichotomous classification. Moreover, Woodward argues that ideas similar to his notion of invariance are already considered important and useful notions in science.[8] Based on this, Woodward makes a plausible case that the notion of invariance should be preferred to the notion of lawhood in science: first, given that a dichotomous classification of generalizations is unsatisfactory, a strong conceptual argument in favour of notions that allow for degrees in the classification of generalizations arises, and second, the notion of invariance under interventions is better suited for actual scientific practice than the dichotomous notion of lawhood.

4. Invariance and Historical Specificity[9]

This section will connect the notion of historical specificity with the notion of invariance. Following up on the discussion in the previous section, in this section I argue that while the notion of lawhood does not leave room for historical specificity, the notion of invariance naturally incorporates this idea. If the notion of invariance should indeed replace the notion of lawhood in theories of causation and causal explanation, it follows that historical specificity—or at least relativity to a system or systems—is a natural feature of causal generalizations and explanations. Furthermore, I show that the idea of historical specificity is reconcilable with (at least some) methodological statements of both Milton Friedman and Fritz Machlup.

4.1 Lawhood, Invariance, and Historical Specificity

If one adopts the traditional requirements for lawhood and requires laws to figure in explanations, or sees the discovery of universal laws as the aim of science, it readily follows that there is not much room, indeed no room at all, for the problem of historical specificity. Not only would a historically specific generalization clearly violate the requirement of exceptionlessness, it would also refer to particular systems or spatiotemporal locations, it would not necessarily have a wide scope (for it may be valid for only one specific type of socioeconomic system), and it would have clear limits on its unifying or systematizing potential (for this potential is limited to theorizing about the system(s) the generalization applies to). It is plausible, then, that to the extent that economists and philosophers of economics accepted the idea that discovering universal laws is the aim of economics, or the idea that successful explanations must refer to universal laws, this idea has withheld them from accepting the idea of historical specificity.

In contrast to the notion of universal laws, the notion of invariance naturally incorporates the problem of historical specificity. In Woodward's words, his proposal "should also allow us to understand how a generalization can play an explanatory role even though it holds only within a certain domain or over a limited spatiotemporal interval and has exceptions outside of these" (Woodward, 2005, p. 240). It is convenient to illustrate this using an example. Suppose that the generalization 'The state of the infrastructure influences the rate of economic growth' (G-3) holds for capitalist societies, but not for communist societies. In that case, this generalization is invariant under interventions on the state of the infrastructure with respect to the rate of economic growth in a *capitalist society*; however, the same generalization is not (or hardly) invariant (…) in a *communist society.* Hence, generalization (G-3) can play an explanatory role in the context of a capitalist society, even though it has exceptions outside of the capitalist context (for instance in a communist society). The fact that (G-3) can have different degrees of invariance depending on the system it is applied to reflects the system-relative aspect of the notion of invariance under interventions. It is this aspect of the notion of invariance that plays a key role in enabling it to deal properly with historically specific generalizations. The notion of invariance thus provides a sound underlying conceptual-causal framework that may help clarify discussions about the problem of historical specificity. It may also help to show, by the fact that historical specificity fits naturally in this framework, that using historically specific generalizations in explanations is not less scientific—indeed, may be more scientific—than restricting oneself to only using ahistorical generalizations.

4.2 Reconciling Historical Specificity with the Methodologies of Friedman and Machlup

Even though the problem of historical specificity is nowadays largely forgotten about and even considered obsolete (or so Hodgson (2001) argues), the idea of historically sensitive theories is consistent with some methodological statements of two prominent economists—Milton Friedman and Fritz Machlup. This may be quite surprising, because Hodgson (2001, 232-247) argues that Friedman's statement of the quantity theory of money (1956) promised fundamental and transhistorical regularities in economics. In the same chapter, it is argued that both Machlup (1946, 1978) and Friedman (1953) contributed to making the theory of consumers' demand ahistorical by removing the assumption of conscious or deliberate choices.

Despite the fact that those economists in their actual scientific practice thus seem to have contributed mostly to the case against incorporating historical specificity in economics, reconciling their methodological state-

ments with the notion of invariance and the idea of historical specificity is relatively straightforward. For example, in his well-known 1953 essay on the methodology of positive economics, Friedman writes that "The important problem in connection with the hypothesis is to specify the circumstances under which the formula works or, more precisely, the general magnitude of the error in its predictions under various circumstances" (p. 18), and claims that this specification should be part and parcel of any hypothesis. One should be wary, though, of reading too much in this statement. It seems that Friedman did not intend this statement as specifically, or even inter alia, supporting historical specificity in economics, for some pages later he writes that besides a conceptual world or abstract model, a hypothesis also consists of "a set of rules defining the class of phenomena for which the 'model' can be taken to be an adequate representation of the 'real world'" (p. 24). Hence, Friedman focusses more on classes of phenomena than on different types of socioeconomic systems. Nevertheless, the idea that a hypothesis may only work under certain circumstances or may have different general error magnitudes in its predictions under different circumstances in the 'worst' interpretative case does not contradict the idea of historical specificity. Indeed, even in this 'worst' interpretative case there is still room for connecting Friedman's methodological statements with the notions of invariance and historical specificity.

Machlup expresses a similar view when he writes "A theory may be regarded as a model plus a specification of the empirical observations to which it applies" (1960, p. 572). In a later paper, Machlup puts it more elaborately: "To put this statement in a slightly different form, any model designed to present (exhibit) a causal connection between an independent variable and a dependent variable under given conditions—conditions which may include fundamental hypotheses and a set of less fundamental assumptions on various levels of generality or specificity—must display the dependent variable as a logical consequence of all the premisses in the model. Since these premisses imply the conclusion, there can be no doubt about the complete determinateness of the result. Of course, whether this whole apparatus with its input and its determinate output applies to many situations of the real world, or to only a few, or to none at all, is a different matter" (1974, p. 280). Thus, Machlup recognizes both that there are several levels of generality or specificity and that theories may or may not apply to different situations in the real world. Again, though, one should be careful in interpreting this statement, as it seems unlikely that Machlup's intention was to support a notion of historical specificity. Nevertheless, Machlup's position expressed here is clearly reconcilable with the idea of historical specificity.

The fact that the methodological positions of two prominent economists can be reconciled with the idea of historical specificity is of course not an argument in favour of incorporating historical specificity in economics. However, it may render the idea of historical specificity less controversial than currently seems to be the case for economists. Moreover, given that Friedman's 1953 essay remains influential in economics to this day, it could perhaps be used to demonstrate that the idea of historical specificity is not so far removed from a widely accepted—that is, widely accepted among economists—methodological statement in economics. Whether it is a desirable and fruitful strategy to use Friedman's controversial and contested methodological essay to convince economists of the relevance of the problem of historical specificity is another matter, important in its own right but outside the scope of this essay.

5. Conclusion

The goal of this essay was twofold. First, the foremost goal was to argue in favour of developing historically sensitive theories in economics by appealing to Woodward's (2005) notion of invariance. Based on Woodward's argument that the dichotomous classification of generalizations as either 'purely accidental' or 'universal law' is unsatisfactory, further supported by actual scientific practice that seems to usually employ some notion of invariance, I followed Woodward in claiming that the notion of invariance should replace the notion of lawhood. Subsequently, I showed that adopting the notion of invariance provides one with a conceptual-causal framework that naturally incorporates (or at least can deal properly with) historically sensitive generalizations. Putting this together, it follows that historical specificity—or at least relativity to a system or systems—is a natural feature of any causal generalization. If causal generalizations are historically sensitive, the implication is that (economic) theories should be historically sensitive as well.

The second goal of this essay was to show that, even though the problem of historical specificity is nowadays largely forgotten, reconciling the idea of historically sensitive theories with some methodological statements of Milton Friedman and Fritz Machlup is relatively straightforward. The reason for this is that both Friedman and Machlup claim that a hypothesis does not necessarily always apply; a specification of when a hypothesis applies should be part of the hypothesis itself. Though this is clearly not an argument in favour of historically sensitive theories, the possibility of this reconciliation may be used as a strategy to convince economists that the problem of historical specificity is or should not be that controversial.

Acknowledgements

I would like to thank professor Hodgson for making me aware of the problem of historical specificity and for nominating my essay for publication in the ESJP. Also, thanks to the editors of the ESJP; the essay improved substantially as a result of their comments.

Anne Albert van der Galiën (1991) studies Philosophy and Economics (Research Master) at the Erasmus Institute for Philosophy and Economics (EIPE), Erasmus University Rotterdam. He previously studied both economics and philosophy (Double Degree), also at the Erasmus University.

Notes

1. Scarcity of resources here should be understood in the economists' sense. That is, it refers to the idea that our resources are limited, whereas our aspirations (for which we need those resources) are unlimited.

2. This section draws on Hodgson (2001), chapters 3-7 and 9. I can only provide a rough discussion here, for a detailed treatment the reader is referred to those chapters.

3. The methodenstreit refers to a methodological dispute between the Austrian school and the German Historical school concerning inter alia historical specificity and the problem of induction versus deduction.

4. This section draws on Woodward (2005) chapters 1, 2, 3, and 6.

5. A formal definition of the notion of an intervention can be found in Woodward, 2005, p. 98.

6. Taken from Woodward (2005), section 6.2.

7. For a discussion on those other notions of invariance besides invariance under interventions, see Woodward (2005), section 6.2.

8. For example, the notions of resiliency (Skyrms, 1980), robustness (Redhead, 1987), and stability (Mitchell, 1997, 2000) all relate to the stability of generalizations or relationships under various changes. Somewhat longer ago, in 1944, Haavelmo introduced his notion of autonomous relationships which also incorporates degrees in the classification of a relationship as autonomous or not (where the notion of autonomy is some kind of invariance condition).

9. Regarding Woodward's position, this section draws again on Woodward (2005), chapter 6.

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