

Economists as mystics

Eric Blair

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One could divide the mystical world into those who believe that there's an undescrivable power which comes from within us humans, and another side which believes that there is an undescrivable power which comes from without. Some of the Eastern religions are of the first class, expounding on how we need only channel and focus our forces to achieve better outcomes in life; Western religions typically advise that people should focus on keeping in good standing with the outside force.

But I'm an economist, so why am I talking about mysticism? Because neoclassical economics, the hyper-rational, overanalytic discipline which we all love to make fun of, is simultaneously a form of both types of mysticism.

The first level is the purely individual. The neoclassicist writes down a thousand equations which take us an hour to consciously work through, but, he explains, a human can intuit the result and act according to his or her best interests without even breaking an intellectual sweat. Somewhere deep inside, people just know what's best for them, and how to get it.

I was at a presentation on the economic study of happiness the other day, and a listener from the Cato Institute raised his hand and asked, 'Why are we maximizing happiness? If somebody wishes to seek out something else, why stop them?' Again, our friend from Cato is espousing his mystic beliefs. That which people seek out is not something we can meter or even put a cute word on; it is something deeply personal and unique to the inner, unexaminable souls of every individual. Whatever it is, our inner being knows what it seeks and how to find it.

The second level of mysticism is at the group level. The invisible hand acts in the role of a deity in some of the most traditional senses of the word, except for the minor detail that it is entirely comprised of humans. It is a traditional deity who can readily be described as having a will, whose actions may be generally predictable but who still has any of a number of incomprehensible whims, and who is of course omniscient, affecting all of us and the whole of the Earth on which we live.

If we treat this deity well, then things will go well for us, but if we do not—by fighting against it or attempting to restrict it—then we ourselves will be worse off. Debates about the beneficence of this deity are very much like debates with a Christian pastor about why bad things happen to good people: the Hand moves in mysterious ways, which we as humans can't necessarily understand

on a person-by-person level. But we must remain confident that humanity as a whole is better off because of the Hand's plan, even if it works badly for some poor souls. Besides, those people probably did something to piss the Hand off. If laziness is a sin, we're all sinners.

However, the difference between this sort of deity and that of the more traditional mystic traditions is that this one is clearly comprised entirely of humans. Its scope is exactly the size of the scope of humanity, and before mankind existed, it did not. The cynics will argue that all this holds for the Christian deity as well, but that is to deny the axioms of the faith.

The Hand is a unique deity, but there is a faith in it nonetheless. While the rest of us fret and worry about how we will get along next year when there are so many problems to be had, the neoclassicist is reassured and confident. The Hand will provide.

By describing neoclassicism as a mystical faith, I do not mean to belittle it; there's something to be said for having faith in something. We're dumb. There are a host of things that we will never understand, and these things are rather threatening, and would fill our heads with worry if we let them. Faith is immensely beneficial, because it reassures us that our deficiencies are not so bad, and good will prevail in the end (if only we define good correctly).

The neoclassicist has the deepest of faith, both in our individual human ability to find what is best, and the society's ability to provide. It is those of us who question that faith, who insist on trying to accommodate individual failings and who do endless, fruitless calculations to determine what the future will bring, who deny that which is incalculable in humanity.