
REVIEW OF YOUNKINS'S *FLOURISHING AND HAPPINESS
IN A FREE SOCIETY*

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*FLOURISHING AND HAPPINESS IN A FREE SOCIETY—TOWARD
A SYNTHESIS OF ARISTOTELLANISM, AUSTRIAN ECONOMICS,
AND AYN RAND'S OBJECTIVISM* By Edward W. Younkins.
University Press of America, 2011.

WITH THIS BOOK, Professor Younkins completes a trilogy that started in 2002 with *Capitalism and Commerce: Conceptual Foundations of Free Enterprise* and continued in 2008 with *Champions of a Free Society: Ideas of Capitalism's Philosophers and Economists*. In these books, after surveying different justifications for an open, market economy society from the perspective of leading economists, philosophers and other social thinkers, he set himself to offer a synthesis of some of those justifications, which became the object of this most recent book. According to Professor Younkins, in a nutshell, the best justification for the existence of a legal monopoly of violence is the enforcement of rules of just conduct by an agent entrusted by the community with such responsibility; rules that are required to accommodate the many different ways in which individuals may reach the maximum of their potential, or saying differently, may flourish. This centrality of individualized human flourishing for the definition of what moral is based on an Aristotelian perfectionism in ethics as pointed out by Younkins. For Younkins, a libertarian minimal state is one that does not try to impose a special way for all the citizens to flourish; that is, a society organized around

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non-perfectionist policies. And in this book Younkins attributes the idea of justifying such political arrangements on the *perfectionist* Aristotelian ethics mentioned above to the works of contemporary neo-Aristotelian philosophers, among them Douglas Rasmussen, Douglas Den Uyl and Eric Mack. Younkins could have included Ayn Rand among those neo-Aristotelian moral thinkers, but perhaps because of important differences¹ between her and them on metaphysical conceptions, he chooses to explore the epistemological contributions of Ayn Rand to the debate about the limitations and uses of knowledge in society and in this way to approximate Rand's Objectivism to Austrian Economics.

It is my understanding that the most fundamental moral basis for political action may be found on either side of the divide between methodological collectivism, consequentialism, and positivism on one side and methodological individualism, ethical perfectionism, and natural law on the other.² And it seems a reasonable exegesis of Professor Younkins's argument in the book that being the Austrian School of Economics so significantly influenced by the late Scholasticism as argued by Rothbard and others, one may understand that the Catallactic concepts of spontaneous order, limitation of knowledge, entrepreneurship, limited government under the rule of law, respect for property rights, and many others that are bedrocks of Austrian economics and jurisprudence seem to fit better in the neo-Aristotelian tradition mentioned here; and therefore, on the latter side of the divide about the moral basis for political action described above.

¹ For instance, as mentioned by Younkins (page 14), for Rand life is an ultimate end and a goal in itself. The neo-Aristotelian philosophers mentioned by Younkins in his book, specifically the ones named here, would have said that it is not any life, but a life proper to a human being, a life that is the actualization of the individual's potentialities that is the ultimate end. Here is not the place to develop the corollaries of that distinction, suffice it to say that the difference exists and it is metaphysical in its character.

² As an explanation why I have excluded deontology from consideration here, I would propose that deontology in morals, as in Kant, although it is intended to depart from utilitarian considerations, in the end results in a collectivist approach to political action and a disregard for the consequences of political decisions for individuals, allowing us, for these reasons, to seat Kantian justifications on the same side of the divide as the positivists and utilitarians. approach to political action and a disregard for the consequences of political decisions for individuals, allowing us, for these reasons, to seat Kantian justifications on the same side of the divide as the positivists and utilitarians. I understand that this is a huge and controversial claim that requires defense, but this book's review is not the place to attempt that.

However, there are some problems here for that synthesis proposed by Younkings to be accepted, problems that Younkings hopes to solve. The problems I refer to are all of them related to the centrality of Ludwig von Mises contributions to what we understand today as Austrian Economics; and these problems are: (a) Mises's ethical utilitarianism, (b) his neo-Kantian epistemology, and (c) his assertion that economics as a science is value-free. If one accepts these statements about Mises's views on ethics, epistemology and philosophy of science as truly representative of Mises philosophical views without qualification and out of context, one may deem them to contradict Younkings's claim; and his claim may be summarized as stating that a synthesis among neo-Aristotelianism in ethics, Objectivism in epistemology and Austrian Economics in politics is not only possible but indeed, once they are put together, they become the best justification for a Classical Liberal Order.

In regard to Mises's utilitarianism in ethics, my conclusion from the 2000 contribution of Professor Leland Yeager and the discussion between Walter Block and J. Patrick Gunning in 2002 in the *American Journal of Economics and Sociology* is that it is true that Mises adhered to a form of rule-utilitarianism—that is, the moral guide for political action is the establishment of rules that may lead to good consequences. But these rules may well be the ones protecting natural rights and the good consequences may well be perfectionist at an individual level; that is, the rules most suitable for fostering the division of labor are the ones that better allow individuals to flourish. That is the conclusion of Professor Edward W. Younkings (Younkings, 2005), it seems a reasonable one to me, and with that we may put aside the first problem raised to Younkings's claim.

In regard to the second problem, that is, Mises's neo-Kantian epistemology, as a way out of it, I would quote Younkings, this time his account of what amounts to Mises's neo-Kantianism in epistemology:

Rothbard could not accept Mises's Kantian extreme aprioristic position in epistemology. Mises held that the axiom of human action was true a priori to human experience and was, in fact, a synthetic a priori category. Mises considered the action axiom to be a law of thought and thus a categorical truth prior to all human experience. Murray Rothbard agreed that the action axiom is universally true and self-evident but argued that a person becomes aware of that axiom and its subsidiary axioms through experience in the world. (Younkings, 2004)

If the discussion about the neo-Kantian influence on Mises's epistemology might be limited to whether Mises's apriorism is a law of thought or deduced from previous experiences, that would obviously be a discussion about the source of aprioristic knowledge and not about the role

of aprioristic knowledge in economics or even the essential characteristics of aprioristic knowledge, and that does not seem to compromise the Rothbardian stance enunciated here (about the characteristics of economics' aprioristic assumptions); and therefore, the proposed synthesis is still viable (incidentally, I also agree with Rothbard on the nature of any aprioristic thinking).

Finally, in regard to the third problem—Mises's idea of economics as a "value-free" science—it seems clear to me that in that regard Mises was narrowing the scope of all inquiry in economics to what is purely descriptive; and to the extent that that is possible, again, it does not seem to be a problem to Younkins's claim that Catallatics better fit a neo-Aristotelian perfectionist individualistic tradition in ethics. That seems to be the case, for instance, if you agree that the (ethical) value of the division of labor for human beings is a given to be accepted aprioristically as a fact. I personally dispute that that is possible,³ but if you think about economic theory in the "extreme aprioristic position in epistemology" criticized by Rothbard and mentioned by Younkins above, then you may conclude that the entire realm of descriptive economics is "value-free." So, Mises's claim that economics should deal purely with facts may be understood as a consequence of his ideas about the nature of aprioristic theories and as applicable (only) to the descriptive aspect of economics. This again is an interpretation that, for me, seems to be enough to make the synthesis proposed by Younkins sustainable.

With that, all of the three problems raised against the possibility of the synthesis proposed by Younkins may be put aside.

On another front, Younkins's project of a paradigm of an "Aristotelian Classical Liberalism", culminating now in this book, clearly demonstrates that the alleged incompatibility between the claims of Austrian Economists that

³ The advantages of the division of labor are vast, a constant in human society, and they may be understood as derived from deeply ingrained attributes of human beings; but all that must be hypothesized, evidence must be collected, a due consideration to whom the starting hypothesis is a different one and to possible contrary evidence must be given (not to mention recognition that there are those who attribute *moral* value to things that are in contradiction with the advancement of the division of labor). All of that is just to say that even some of the most obvious and basic of our assumptions may require justification because they are deduced and therefore, not *intrinsically* aprioristic regardless of the source of aprioristic knowledge as said before; and furthermore, even if we agree as an aprioristic assumption on the economic benefits of the division of labor, still it is possible that someone would not attribute a higher moral value to them than others which possibly may be in contradiction with the division of labor.

values are subjective and claims by Objectivists that values are objective actually does not exist. As shown by Younkens, these claims are not about the same things because they exist in different sphere of analysis (page 137); and that is why it seems worthwhile to reflect on the different conceptions about the sources of value.

Using a terminology proposed by Ayn Rand, the different lines of thought on the nature of good may be classified into three different categories: the intrinsic, the subjectivist, and the objectivist.⁴

The subjectivist theorists in this classification are the ones that see value as named by some authority,⁵ and the objectivist theorists are the theorists that advocate that the value of something derives from its adequacy to the function intended for that thing by the agent. It derives from the benefits they get from using it and its economic value is defined every moment by the sum of their individual evaluations (that is, *inter-subjectively*) in their daily transactions. Economic value is something that is created in the market as a result of the spontaneous actions of the economic agents. In Ayn Rand's terminology, the *objectivist* theorists are *Catallactic* theorists. It may be understood that this theory is the only one in line with the empirical evidence, and the argument that it is not a theory but a tautology can be disputed; the theory is not about what economic value is, it is rather a theory about the nature of economic value, about the source of value seen by the agents in the market. In this sense, it is obviously not a tautology. Perhaps, in this sense one can say that value is discovered in the market and not given by the market.⁶

⁴ Ayn Rand in the chapter "What is Capitalism?" of her book *Capitalism: The Unknown Ideal* uses these three categories to classify the different schools of thought about the nature of the good (1965: 21).

⁵ I personally think that it is regrettable that the theory of value of the Austrian School of economics came to be known as a *subjectivist* theory, when it may be stressed that the theory is a *Catallactic* one, one in which value is created by the spontaneous interaction of the agents in the free market. I understand the long history of the subjectivist theory of value and the fact that Menger's marginalist theory is the culmination of such a long process, but I continue to think that naming a *Catallactic* theory as a subjectivist one is really unfortunate.

⁶ One may be reluctant to use, however, this terminology, since it could imply that someone may know better than the market what the "objective" value of some good is and therefore de-characterize the *Catallactic* theories as objective ones. I dispute that. At any given time, the value of goods is what it is, i.e., the market value. Perhaps someone knows or thinks that he knows about future political events, or natural events, or

From this classification, one may conclude that the Catallactic theory of *economic* value is the one that more adequately answers the requisite of better capturing the reality of human economic experience. Therefore, it is in a moral theory amicable to a Catallactic view of economic activity that the most suitable moral justification for an open society with a market economy should be found and that is precisely what Professor Younkins does with this new book.

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whatever, that will impact the *future* value of something. He may be right or wrong. If he is right, eventually this knowledge will come to the market and the impact of the events will be reflected in the market price for that good. If he is wrong, it will be only another wrong bet. In my understanding, economic value is at the same time objective and Catallactic, in the sense that if the attributes of given goods are not recognized by the market, they do not produce the good results that may be expected from them; and, therefore, these attributes reside in the realm of intentions and not in the reality.