ISSN 2516-8568

# Value and Values

Source: *Midlands Historical Review*, Spotlight Series Vol. 1 (2021)

Published: 30/03/2021

URL:
http://www.midlandshistoricalreview.com/value-and-values-spotlight-series-vol-1

Midlands Historical Review
ISSN 2516-8568

# Value and Values

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## Author Biography

Dr David Civil is a Research Fellow at the Jubilee Centre in the School of Education at the University of Birmingham. His PhD research explored the concept of meritocracy in post-war Britain's intellectual politics.

Since their inauguration in 1948, the BBC Reith Lectures have provided historians with an annual window into the intellectual preoccupations of the post-war world. From the impact of quantum and atomic theory in 1953 with Robert Oppenheimer's *Science and Common Understanding* to questions of racial, gender and national identity in 2016 with Kwame Anthony Appiah's *Mistaken Identities*. A potential Reith lecturer, searching for a topic to explain the contemporary moment would be spoilt for choice: the Covid-19 pandemic, the climate crisis, rampant economic inequality and social injustice, the rise of populism, big tech, the existential challenge to democracy etc. The list, it seems, is endless. On the surface then, the selection of Mark Carney, the Canadian central banker and former Governor of the Bank of England, feels like an odd choice. Carney has sat at the apex of a financial system assailed on all sides and held responsible, by a wide variety of politicians, commentators as well as large swathes of the public, for creating or exacerbating many of the problems listed above. The title of his series however, 'How We Get What We Value', unites the vast majority of these crises and, in doing so, like all good Reith Lectures, touches on one of the fundamental issues of the post-Cold War age.

At the heart of Carney's thesis is the idea that financial value has trumped human values as developed nations morph from market economies into societies where the market rules. The free market, Carney claims, has become the organising framework not just for economies, but for broader human relations as its reach extends further into civic spaces and family life. Across a variety of sectors 'citizens' have been replaced by 'service users', with perilous consequences for our civic sphere. Whether manifested in concerns about the outsourcing of public services to private providers or the growing privatisation of public spaces, the so-called 'invisible hand' has come to exercise a visible and forceful grip.

Within these market societies the idea of subjective value is now hegemonic. Whereas in the past thinkers as diverse as Aristotle, Karl Marx and Adam Smith felt the value of a product derived from how that product was produced, neo-classicist economists in the early twentieth century shifted the axis of value theory away from labour and towards the consumer. A product or service was no longer deemed valuable because of the costs that had gone into making or providing it, instead value was to be decided by whether individual consumers were willing to pay for it. Value was no longer thought to lie in the sweat of the labourer but in the eye of the beholder. In many ways this was a democratic shift: value was to accrue to those who could satisfy millions of individual preferences as reflected in the free market place.

It was not, however, without consequences and Carney identifies a number of risks associated with this rise of subjective value. For example, individuals are not always the rational decision-makers assumed by neo-classicist economic theory and often value the present more than the future. This 'tragedy of the horizon' has made solving issues like climate change more difficult. The catastrophic costs of a global issue like the climate crisis are felt beyond the traditional time horizons of most actors – imposing a cost on future generations that the current generation have no direct incentive to fix. As Carney has noted elsewhere, the 'horizon for monetary policy extends out to two or three years.' For 'financial stability it is a bit longer, but typically only to the outer boundaries of the credit cycle – about a decade.' In others words, once climate change becomes a defining issue for financial stability, it may already be too late. More worryingly, Carney claims, is the 'drift from moral to market sentiments.' This 'flattening of values' corrodes those which have tended to exist outside of the market (e.g. civic virtues) and in the process has undercut the social foundations upon which any economic activity fundamentally relies. In short, anything not priced, not deemed *financially* valuable, in our society is not valued. Nowhere is this fact more starkly visible than in the essential work of the care sector where, because the value of care is difficult to measure, pay remains low and conditions poor. Care workers, therefore, remain the victim of a damaging tautological spiral: because their labour has been historically undervalued they are not paid a lot and because they are not paid a lot their labour is not seen as valuable.

The message and the messenger of the 2020 Reith Lectures is emblematic of the growing intellectual consensus in favour of a 'social reset'. Whether embodied in Prime Minister Boris Johnson's rather vague slogan of 'Build Back Better', the World Economic Forum's 'Great Reset' or the progressive Left's 'Green New Deal', the desire for a fundamental reappraisal of the global economy is shared, admittedly to differing degrees and to varying ends, across the ideological spectrum. While Carney's lectures serve as a symbol of this particular conjuncture, his concerns are nothing new. The idea of a parasitic free market is a common theme of communist and socialist texts, while the more Carney-like warnings are found in a variety of liberal and social democratic positions. Even more surprising, perhaps, is to find traces of Carney's thesis amongst some of the neoliberal thinkers whose intellectual output in the early-to-mid twentieth century did so much to economically and philosophically support the rise of the market in the 1980s.

For example, Friedrich von Hayek, the Austrian economist, philosopher and author of the influential tract *The Road to Serfdom*, argued in 1960 that

> A society in which it was generally presumed that a high income was proof of merit and a low income of the lack of it, in which it was universally believed that position and remuneration corresponded to merit, in which there was no other road to success than the approval of one's conduct by the majority of one's fellows, would probably be much more unbearable to the unsuccessful ones than one in which it was

> frankly recognised that there was no necessary connection between merit and success.[1]

For Hayek, in any free society income should reflect the value of an individual's goods and services and have nothing to do with merit, virtue or the moral importance of their contribution. In a similar vein Frank Knight, the American anti-New Deal economist and later Hayek's teacher, argued in the early 1920s that an individual's income or market value should not be associated with their social contribution.[2] Serving demand in the market is simply a matter of satisfying the wide range of tastes and desires people happen to have at that particular moment in time. The ethical significance of satisfying them, however, depends on their moral worth.

Evaluating this worth involves making contested moral judgements which go beyond the discipline of economics. The philosopher Michael Sandel illuminates this distinction by considering the character of Walter White, the teacher, father and drug-dealing kingpin of the Emmy-award winning drama *Breaking Bad*. Most viewers would agree that White's contribution as a teacher far exceeds that of his contribution as a drug dealer. 'Even if meth were legal', Sandel argues, 'a talented chemist might still make more money producing meth than teaching students.' But this does not mean that a 'meth dealer's contribution is more valuable than a teacher's.'[3] In a similar vein, few would have argued that Captain Sir Tom Moore's fundraising efforts, reaching £33 million in total, would have represented less of a contribution had he only met his initial target of £1000. In this sense the value of his effort was recognised in the civic or moral character of his actions rather than because of their monetary value.

Context is important here. Hayek, for example, had little influence in 1960, the start of a decade where technocratic desires to rationally plan economic activity reached

[1] F.A. Hayek, *The Constitution of Liberty* (London, 1960), p. 98.
[2] F.H. Knight, *The Ethics of Competition* (New Brunswick, NJ., [1923] 1997), p. 46.
[3] M.J. Sandel, *The Tyranny of Merit: What's Become of the Common Good?* (London, 2020), pp. 138-39.

fever pitch and the free market remained a marginalised concept. Hayek's primary concern in distinguishing between merit and value was to secure the legitimacy of free market inequalities. This legitimacy, he claimed, would be tarnished if those at the top were not only rich but also considered morally superior. As Carney's lecture makes clear, however, these warnings went unheeded as price and value increasingly became conflated. Those individuals with high incomes also came to possess greater status, power and, perhaps most damagingly, moral superiority. It does not therefore require much of an intellectual leap to consider how Hayek's concerns have played out in the last decade of political destabilisation. Amidst the Covid-19 pandemic, however, it is clear that these market generated inequalities are suffering a legitimation crisis. In this sense Carney's intervention has fired the starting pistol on what Mariana Mazzucato has described as a great contested debate about value.[4]

It is clear that this debate can not be overly reliant on the discipline of economics, a discipline where the moral questions highlighted by Knight have been subsumed beneath technical exercises in applied rationality. The market appealed to politicians and policymakers precisely because it eschewed these contested judgements, pushing questions of 'who gets what?' onto an abstract, impersonal force. There was no longer a contested debate about the morally right or wrong course of action but a mechanistic discussion about the economic costs or benefits of a particular policy choice. In its place the debate will be heated. As David Robinson has outlined in this journal, in its worst form it will descend into an irrelevant culture war. Yet it appears that a tentative consensus is forming as those across the political spectrum recognise that key workers deserve pay, status and conditions beyond those assigned by the market.

A great debate about values entails radical consequences for the shape of higher education in Britain, a sector which has too often, in the words of David Manning, disengaged 'from the virtues of scholarship to perform research for market value.'

[4] M. Mazzucato, *The Value of Everything: Making and Taking in the Global Economy* (London, 2017)

ISSN 2516-8568

This is particularly true of disciplines like the Humanities where value is difficult to measure and demonstrate. Shifting away from crude metrics, however, should not, be used as an opportunity to completely dismantle mechanisms designed to deliver accountability and ensure fairness. Instead it represents an opportunity for all of us in the Humanities to illuminate the issues, challenge long-standing assumptions and help to construct a new social contract which places human, rather than merely financial, values firmly at the centre.

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