

ONCE AGAIN, ABOUT THE ECONOMIC TRUTH

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1. Preamble

There is a strong tradition in considering two cumulative conditions to be verified by any science which would claim such a statute: a) to provide explanations (i.e. causal descriptions of events); b) to deliver predictions. In fact, such a tradition is very vulnerable both from logical point of view and from a philosophical one. From the logical point of view, the conditions are redundant, because any explanation is equivalent to a prediction – more exactly, an explanation is an *ex post* prediction (or a post-diction), while a prediction is an *ex ante* explanation. So, it is sufficient to put only one of the two conditions, no matter which of them, and, consequently, the other is generated *eo ipso*. From the philosophical perspective, no knowledge is an absolutely objective one. Although the correspondence-truth (which is a factual truth claiming a great degree of objectivity – in fact a simple inter-subjectivity!), inaugurated by Aristotle, and rather rigidly formalized by Popper with his falsifiability, is credited with the strongest power of knowing the world, such a claim is not valid not even for the natural sciences. So, the predictions are always theoretically laden – we'll make those predictions about which our theory says us they are possible to be made. Much less, in the social field (with its core of economic sphere) an objective truth – that is, a pure factual one – is illusory and even counter-productive. Let's imagine how could be politically driven a modern society, where the purposes are not discovered (as it is happened inside the natural sciences) but created by the subjects through their cooperative actions, if the factual truth would be still held. As I have discussed formerly and elsewhere, we need a new kind of the truth: the teleological one. I'll provide further some punctual considerations on such an issue.

2. What a teleological truth is it?

A teleological truth is, and it cannot be else than associated to a purpose, either individual or collective (at limit, at the society level). But a purpose is not something valid for any and for ever. A purpose is simply assigned to an individual (or a group of individuals aggregated somewhat), in a given social context and, generally, significant within a given time horizon only. Moreover, any such a purpose mobilizes just an established set of means (indicated by the grounding model of rationality), not any mean which is available or preferred. In fact, a purpose is a world which is desired and, consequently built up, in a conscious way (such an awareness transforms the finality – which exists as well in the nature – into purpose). It seems now very odd to speak about truth, when a purpose could be or not be reached and, if it is reached, such a reaching could be more or less according to its projection from the start. While there are so much questions regarding the „objective” correspondence-truth (I mention here only the Duhem-Quine thesis, for example), I invite you to imagine what additional questions would be triggered by the (factually) testing of reaching a purpose. In short, in the economic field (and, of course, in the entire social field as well) to put the question of factual (i.e. objective) truth does not make sense. It is very possible that not even all the participants to getting a common purpose (as established at the beginning of their action), to really assess that the final outcome is exactly what they wanted (in such sort of problems resides a large part of the social justice vulnerabilities). So, probably is closer to the...truth to speak about purposes and about the degrees of their achieving. By a little bit of language abuse, we might („legally”) speak only about a teleological truth.

3. However, how to test the economic truth?

Regarding the economic truth (or, as proposed, the teleological truth) arises the issue of testing it. Some accounts are, in my opinion, self-imposed here:

- *firstly*, the economic events (as all the social ones are, in fact) are singular, that is, un-reproducible; consequently, no experiment (much less an experience) can be arranged in order to test the truth involved in a given economic event (for example, by comparing the

ex ante predictive statement with the *ex post* descriptive one, as the factual falsifiability suggests);

- *secondly*, no prediction can be done for the purpose established which is based, generally, on the free will. As shown above, the factual testing necessarily needs a prediction;
- *thirdly*, no relevance is held by achieving of the purpose from the point of view of the correspondence type of the truth.

Grounded by the three considerations, I believe that the testing of the economic (teleological) truth should be thought and put under the following (conceptual and) methodological issues:

- (i) the degree of achieving (that is, the efficacy – not the efficiency – of the action aimed at) of the purpose is the single object of testing in the economic/social field;
- (ii) if the degree of such an achieving is maximal (or assessed as such), then the purpose in case is „true”;
- (iii) since the purpose achieving often has degrees less than the maximal one, it seems we must accept as well degrees of the economic (teleological) truth, what never would be accepted in the natural sciences, where only a binary evaluation of the truth (that is, true or false) is in force;
- (iv) in fact, in the economic truth matter, the comparison is always made between a description and a prescription (often a self-prescription) unlike the ex-social case where a description is always compared with a prediction.

4. Really makes it sense anymore to speak about economic truth?

In my opinion, not at all. Even though the economic purposes are, generally, designed starting from the free will, the means which are assigned to them in order to be achieved are derived from models of rationality. Neither the economic purposes nor the related means have any relationship with the truth as an objective testable property between our predictions and our descriptions of the economic world (that is, events and processes carried out by the human being acts). Maybe it could be appropriate to speak about performative results (from a managerial perspective) or, even better, about the valuable results (from an axiological perspective). To be valuable can signify, alternatively: desired, expected, dreamed, hoped, fair, justified, and other of the same.

5. Could be the economic truth held as correspondence-truth as well?

Principled, yes. My arguments here are the followings:

- what we usually call correspondence-truth is nothing else than the truth assessed (based on given and pre-accepted methodology) in the framework of a theory (that is, any correspondence-truth is a theoretical laden one);
- when we speak about the economic (teleological) truth, in fact we tie such a truth to a model of rationality which assigns means to purpose achieving. So, we can now speak about a rational laden correspondence-truth, instead of a theoretical laden one. Somewhat, we did nothing than an exchange of the „lord” – from the theory to a model of rationality (the difference between the two „lords” consists in the fact that the theory does not deliver prescriptions, while the model of rationality does not deliver than prescriptions);
- consequently, we can continue to have a correspondence-truth in the economic field, with the (crucial) difference that this correspondence is driven by a (subjective, praxiological and practical as well) model of rationality, but not by an (objective or, at least, inter-subjective) theory.

Of course, the economic methodology and philosophy are already very delayed in approaching and solving such a fundamental issue.