

A Value Judgment on ‘A Value Judgment on Value Judgments’

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Debates surrounding the place of values and morality in economics are not new. The very phrase “economic science” implies a strongly positivist dimension to economics as the study of supply and demand. Wilhelm Röpke (1899–1966), however, is one of a number of twentieth-century free market economists who explored the issue of the relationship between morality and economics in detail and in a manner that went far beyond the utility calculations to which some economists and others are inclined to reduce this question. Indeed the German title of Röpke’s most well-known work, *A Humane Economy*, was *Jenseits von Angebot und Nachfrage* [Beyond Supply and Demand] (1958).¹

Röpke had been studying the place of morality and values in economics long before the 1950s. Certainly Röpke believed that economics as a social science enjoyed a rightful autonomy of its own. But in a series of journal articles and opinion-pieces published primarily in German, Swiss, and French newspapers from the late 1920s onward, he underscored his criticism of the notion that economics could ever be completely independent of moral commitments, whether in terms of the objectives that led people to study economics in the first place or in understanding the insights and limits of economics as an intellectual discipline.

Over time, these convictions became more pronounced. This seems to have gone hand in hand with developments in Röpke’s own theological and philosophical thought. Though he was not inclined to write at length about his Christian

¹ See Wilhelm Röpke, *Jenseits von Angebot und Nachfrage* (Erlenbach-Zurich, Switzerland: Eugen Rentsch Verlag, 1958).

beliefs, Röpke—like many other German economists (often labelled variously and sometimes interchangeably as “ordo-liberals,” “sociological liberals,” or “neo-liberals”) such as Alfred Müller-Armack, Alexander Rüstow, Walter Eucken, and Franz Böhm—was intensely interested in the relationship between religion and the social and economic orders. This may have owed something to their experiences during and after the First World War, the subsequent turmoil into which German society sank as the economy buckled under inflationary pressures, and the turn of many Germans to political radicals of the left and the right. To their minds, Germany’s problems (and, by extension, many of Europe’s economic difficulties) in the first half of the twentieth century went far beyond economics. Instead they reflected developments of a civilizational nature and thus necessarily involved religious and moral questions. In a series of books written in Switzerland during the Second World War (*The Social Crisis of Our Time* [1942], *International Economic Disintegration* [1942], and *Civitas Humana* [1944]), Röpke made a series of arguments in which he tried to illustrate how the complications that had shaken European economies and the international economy in the 1920s and 1930s were driven, in large part, by extra-economic forces, some of which had roots that went back centuries. Though Röpke remained deeply interested in, and contributed to, greater understanding of the economic dimension of phenomena such as inflation, the welfare state, and protectionism, his scholarly work increasingly focused on the interrelationship between culture and the economy and the way that this shaped Western societies and the global international order. At the core of much of this reflection, however, remained a determination to elucidate the relationship among the ethical sphere of life, the work of the economist, and the nature of economics as a way of improving the material and moral well-being of society.

Turkish Interlude

Röpke’s relatively short essay, “A Value Judgment on Value Judgments” appeared in the journal *Revue de la Faculté des Sciences Economiques de l’université d’Istanbul*, published, as the title suggests, by the Faculty of Economics at the University of Istanbul in 1941/1942.² Like a number of anti-Nazi German academics, Röpke had been invited by the Kemalist regime to take a position in Turkey as part of President Mustafa Kemal Atatürk’s effort to modernize his

² Wilhelm Röpke, “A Value Judgment on Value Judgments,” *Revue de la Faculté des Sciences Économiques de l’Université d’Istanbul* 3, nos. 1–2 (October 1941–January 1942): 1–19.

country.³ Röpke taught in Turkey between 1933 and 1937. Unlike most of the other German intellectual exiles, Röpke was not Jewish. Despite his outspoken opposition to anti-Semitism, neither Röpke nor another prominent non-Jewish German economist, Alexander Rüstow, were fully trusted by their mostly Jewish fellow German exiles. This was understandable, as both Röpke and Rüstow could have at any time decided to throw in their lot with the National Socialist regime and returned to prestigious positions in Germany. Not only were both men widely respected economists, but each had served with distinction in the Imperial German Army in World War I (Röpke being a bona fide war hero). With his Aryan looks, formidable war record, and noted sporting abilities, Röpke was exactly the type of man that the National Socialists wanted in prominent academic positions in the Third Reich.

Röpke and Rüstow subsequently found themselves spending a great deal of time with each other during the time in which they overlapped in Turkey. Much of their conversation obviously embraced economics, but it was during his Turkish years that Rüstow encouraged Röpke to become more interested in the way that extra-economic factors such as culture and religion shaped the economy. Living and working in a country that, despite its ongoing efforts to embrace Western political and economic models, was still very much a nation located in the Middle East and profoundly influenced by Islam surely sharpened Röpke's attention to such matters.

After moving from Turkey in 1937 to take a position at the Graduate Institute of International Studies in Geneva, Switzerland (where he eventually found himself teaching alongside Ludwig von Mises, a man with whom he had strong intellectual disagreements as well as agreements), Röpke remained in touch with his former colleagues in the Faculty of Economics at the University of Istanbul. As a consequence of the outbreak of World War II and the apparently unstoppable conquest of much of Western, Central, and Eastern Europe by Nazi Germany between 1940 and the end of 1941, the opportunity for a German scholar as well-known for his anti-Nazi sentiments as Röpke to publish in better-known European journals outside neutral Switzerland was radically limited. Turkey, however, was a neutral power where Röpke still enjoyed good contacts. It thus remained an avenue for publication, even for an essay that dealt with very specifically Western currents of philosophical thought and that invoked such quintessentially Western minds ranging from the medieval theologian Saint Thomas Aquinas to the eighteenth-

³ Arnold Reisman, *Turkey's Modernization: Refugees from Nazism and Atatürk's Vision* (Washington, DC: New Academia Publishing, 2006).

century founder of the Scottish school of common sense philosophy, the former minister of the Church of Scotland Thomas Reid.

Relativism, Liberalism, and the West

For many inside and outside the academy, the notion that relativism can assume a type of dogmatic character (dogmatic being understood here as a refusal to entertain reasonable discussion of a given subject) is a paradox. How could it be that the idea that there are no moral absolutes (or, even if there are, that these should play no role whatsoever in the framing of social science inquiry) has the effect of limiting and radically constraining conversation on particular issues?

In 2005, on the eve of the conclave that was to elect him pope, Cardinal Joseph Ratzinger explained how such situations arise. In his homily at the Mass “Pro Eligendo Romano Pontifice” (18 April 2005), Ratzinger argued that the world was witnessing the establishment of “a dictatorship of relativism” that, among other things, “does not recognize anything as definitive.”⁴ By this, Ratzinger meant the spread of an *a priori* commitment in intellectual life but also in the wider culture to the notion that *nothing* can be regarded as true as well as the claim that people *must* act as if nothing can be identified as always true in all times and places.

Röpke encountered the effects of such relativism in the late 1930s, and it subsequently motivated him to write his article on value judgments. It took the form of the reaction of people whom Röpke describes as “some friends” to a report that Röpke had written before the beginning of World War II regarding the state of the global economy and prepared as part of a research program sponsored by the Rockefeller Foundation.⁵ (Later the report was published in book form as *International Economic Disintegration*.) In Röpke’s words, some of these friends “raised a warning finger against my way of calling bad things bad and good things good.”⁶ Though Röpke is polite in his description of their reaction, it clearly irked him, not least because it seemed to confirm to him that such a reaction was reflective of wider trends among scholars. In his 1941/1942 article, Röpke begins by insisting that a similar type of thinking has become

⁴ Joseph Ratzinger, Homily at the Mass “*Pro Eligendo Romano Pontifice*” (18 April 2005), http://www.vatican.va/gpII/documents/homily-pro-eligendo-pontifice_20050418_en.html.

⁵ Wilhelm Röpke, *International Economic Disintegration* (London: William Hodge and Company, 1942).

⁶ Röpke, “A Value Judgment on Value Judgments,” 497n1.

well-established in the academy in general and among much of the economics profession in particular: “To a great number of social scientists it seems to be beyond any possible dispute that every judgment on what ought to be in economic life must be scientifically illegitimate. For them the question appears to be settled once and for all.” By contrast, Röpke maintains, this issue “is and will remain an extremely delicate and intricate problem.”⁷

Part of the difficulty, Röpke suggests, is that economics as an intellectual discipline is not immune from broader cultural trends. Chief among these is what Röpke describes as the “decadence of ‘liberalism’ from which our civilization is manifestly suffering.”⁸ Röpke insists that the West had always embodied some “absolute values and compelling convictions.”⁹ These, however, appear not to be as absolute and compelling as they once were.

One reason for this decline, Röpke maintains, is the classic phenomenon of overcorrection. Max Weber had, according to Röpke, provided a useful critique of those who engaged in an “indiscriminate use of value judgments.”¹⁰ Here Röpke appeared to be referring to two things. The first is the famous *Methodenstreit* debate that characterized much of the nascent economics profession of late nineteenth-century Germany and Austria-Hungary about the nature and ends of economic science. The second is the sense that it was necessary to defend the dimension of economic inquiry that is concerned with discovering the truth of empirical questions from politicization.¹¹

The cultural reasons for this decline to which Röpke alludes are not specified at great length in this article. A hint at what Röpke has in mind may, however, be found in footnote 21. This refers to Alexander Rüstow’s paper on the reasons for the decline of liberalism that he delivered in 1939 at the Colloque Lippman in Paris. (The Colloque Lippman was a forerunner of the Mont Pelerin Society that Röpke played a major role in founding after World War II). Röpke had been writing about the decline of liberalism since the mid-1920s. But reading and conversing with Rüstow had clarified and sharpened his views on this subject. Röpke’s 1942 book, *International Economic Disintegration*, even ends with an appendix authored by Rüstow. The same book also begins with an introduction

⁷ Röpke, “A Value Judgment on Value Judgments,” 498.

⁸ Röpke, “A Value Judgment on Value Judgments,” 498.

⁹ Röpke, “A Value Judgment on Value Judgments,” 498.

¹⁰ Röpke, “A Value Judgment on Value Judgments,” 499.

¹¹ See Samuel Gregg, *Wilhelm Röpke’s Political Economy* (Northampton, MA: Edward Elgar, 2010), 23–28.

derived from a memorandum coauthored by Röpke and Rüstow in 1938. This introduction contains the essential points of Röpke's critique of nineteenth-century liberalism and its economic manifestations.

Capitalism, Röpke suggested, had acquired a bad reputation because competition had been corrupted by monopoly and interventionism. This often reflected interest-group capture of regulators and government economic institutions.¹² Further complications arose from the fact that free competition itself had socially corrosive effects on extra-economic institutions such as the family and intermediate associations. Röpke's view was that the "traditional liberalism" that formed the primary philosophical foundation for pre-1914 capitalism was based on the belief that free competition was an *ordre naturel* and self-sustaining once obstacles to free exchange were removed. Rüstow even argued that Adam Smith's invisible hand "is the perfection of the Physiocratic conception of the *ordre naturel*."¹³ Looking even further back in history, Rüstow saw a parallel between Smith's invisible hand and the same understanding of reason held by Greek philosopher Heraclitus. Heraclitus viewed everything as grounded on what Rüstow called the rationalistic "divine reason" of deistic philosophy.¹⁴

Careful reading of the *Wealth of Nations* certainly indicates that physiocrat ideas are present in Smith's work. Yet Smith also criticized certain physiocrat ideas such as their insistence that agriculture was the "sole source of the revenue and wealth of every country"¹⁵ and their view of merchants as "altogether barren and unproductive."¹⁶ Apparently conscious that their analysis oversimplified (and I would suggest seriously mischaracterized)¹⁷ Smith's position, Röpke conceded that such ideas had never been stated as crudely as he and Rüstow put them.¹⁸ The problem that Röpke has in mind, however, is the gradual prevalence of a

¹² Wilhelm Röpke, *Gesellschaftskrisis der Gegenwart*; ET: Wilhelm Röpke, *The Social Crisis of Our Time*, trans. P. S. Jacobsohn (New Brunswick, NJ: Transaction, 1992), 5.

¹³ Alexander Rüstow quoted in Röpke, *The Social Crisis of our Time*, 270.

¹⁴ Alexander Rüstow, *Freedom and Domination: A Historical Critique of Civilization*, ed. D. A. Rüstow (Princeton: Princeton University Press, 1980), 169–70, 215–16.

¹⁵ Adam Smith, *An Inquiry into the Nature and Causes of the Wealth of Nations*, vol. 2, *The Glasgow Edition of the Works and Correspondence of Adam Smith*, ed. R. H. Campbell and A. S. Skinner (1776; repr., Indianapolis: Liberty Fund 1981), 4.9.2.

¹⁶ Smith, *Wealth of Nations*, 9.9.29.

¹⁷ See Gregg, *Wilhelm Röpke's Political Economy*, 173–76.

¹⁸ Röpke, *International Economic Disintegration*, 67.

type of rationalism with distinctly positivist dimensions that viewed morality and values as subjective and relative.

Types of Judgment

Part of the problem with relativism in the social sciences, Röpke believed, is the assumption that it is in fact the reasonable position to take *vis-à-vis* moral considerations when engaged in an intellectual discipline such as economics. In his article on value judgments, Röpke calls this a type of “axiological relativism,”¹⁹ one that stigmatizes “as ‘unscientific’” the expression of “any definite views on values, ends and ‘oughts.’”²⁰ Though Röpke surmises that few social scientists are entirely at ease with actually holding such a position, he stresses that the same people find it difficult “to know how to answer the seemingly irrefutable argument that scientific measure of truth cannot be applied to values and ends.”²¹

In exploring why so many social scientists seem apparently unable (and, in some instances, unwilling) to escape this intellectual prison, Röpke identifies a number of causes. One was the tendency of some economists in the past to fall into the bad habit of “muddling economics naïvely with hygiene, politics or theology” in order to claim “for their personal views the authority and dignity of science.”²² The aforementioned overcorrection that manifested itself in a retreat into positivism is partly a reaction to this tendency.

A second cause, however, is the failure to see how what some regard as “strictly scientific” enterprises literally make no sense without an underlying commitment to truth as a moral good in itself. In fact, it is impossible. Röpke emphasized that the entire enterprise of science was based on the premise that it was *good* to know truth. Hence, as he wrote in his 1944 book, *Civitas Humana*, science was inseparable from value judgments, “especially the moral sciences, to which the social sciences inclusive of jurisprudence belong.”²³ It followed that, for Röpke,

¹⁹ Röpke, “A Value Judgment on Value Judgments,” 499.

²⁰ Röpke, “A Value Judgment on Value Judgments,” 499.

²¹ Röpke, “A Value Judgment on Value Judgments,” 499.

²² Röpke, “A Value Judgment on Value Judgments,” 498.

²³ Wilhelm Röpke, *Civitas Humana: Grundfragen der Gesellschafts- und Wirtschaftsform*; ET: Wilhelm Röpke, *Civitas Humana: A Humane Order of Society*, trans. C. S. Fox (1944; repr., London: William Hodge and Company, 1948), 75.

the more important question that economists needed to consider was “what type of value-judgments were legitimately scientific and for what reasons.”²⁴

Röpke’s article on value judgments sought to clarify the meaning of value judgments and their place in the economist’s work. He contends that there are three types of judgment. The first are strictly logical judgments: *A* cannot be at the same time not *A*. The second are empirical judgments, the truth of which can be established by experiment. The third are judgments of value. The logical structure of each of these judgments is different. But looking at the third category, Röpke stated that it is possible to make a clear distinction between ideologies on the one hand and “ultimate ends and values” on the other.²⁵

Röpke points out that ideologies often utilize the language of values such as “common interest,” “justice,” and “patriotism.” Yet this does not mean, he argues, that common interest, justice, and patriotism are “ideologies themselves.” For these *are* values, he states, to the extent they are apprehensible as good by all people regardless of their particular conditions. Here Röpke is reacting against two phenomena. The first is the Marxist contention that any language of values is essentially an ideological superstructure that blinds us to reality. The second is what Röpke regards as efforts to purge “all ideas and value concepts” from science in the name of rationality. This, according to Röpke, amounts to the establishment of “total skepticism and complete nihilism” as the only tenable position that a social scientist or economist can have *qua* social scientist or economist when they study social phenomena and make economic policy recommendations. In footnote 8, Röpke singles out Hans Kelsen’s *Pure Theory of Law* as a prime example of precisely such an effort to purge social science of a concern for values.²⁶ Röpke also notes that at the heart of any in-principle skepticism about value judgments is, paradoxically enough, the *value judgment* that making such assessment is *wrong* and *unscientific*. Röpke thereby highlights the basic problem with skepticism: its self-refuting nature and its inability to avoid using the language of morality.

Interestingly, Röpke is less specific when it comes to defining what those ultimate values and ends might be, as well as the precise way in which these might be identified. He tends to approach this matter in an indirect way. Röpke states, for instance, that it is impossible to have any serious discussion about anything meaningful if there is not some agreement about what the ultimate values that

²⁴ Röpke, *Civitas Humana*, 75.

²⁵ Röpke, “A Value Judgment on Value Judgments,” 499–500.

²⁶ Röpke, “A Value Judgment on Value Judgments,” 501n8.

may or may not be at stake are.²⁷ As Röpke wrote later, it is a concern for ultimate values that cause people to “pursue science at all, that the science of economics has been developed as a special branch, that we select worthwhile subjects of research from the endless number of possible ones, that we economists decided to devote ourselves to this science, that we regard truth as an inviolable scientific principle—all this implies judgments of value.”²⁸ At the root of the endeavor of ancient and modern medicine, for instance, is “the value judgment that life is better than death and health better than sickness.”²⁹

Putting the point another way, Röpke asks the relativist “whether he is seriously prepared to devote his life to discovering the means for impoverishing a nation in the quickest possible way or for improving the much-neglected ‘fine art of murder.’”³⁰ To this extent, positive science in general and economics in particular only finds their higher goal and foundational purpose when these investigations serve the goods that make a community of human beings a genuinely human community. Röpke appears to be implying that reason itself suggests that there are certain values that are *self-evidently* good for man. To put the point in the form of a question: Who, on the basis of reason, would reasonably prefer that people dwell in error and ignorance rather than know the truth?

It is not that Röpke is unaware of the effect of totalitarian ideologies that assert to have determined everything in advance and, on this basis, insist that scientific inquiry bow to their ideological conclusions. His article on value judgments affirms that this is a legitimate concern because of the real potential for what he calls “the ‘politicalisation’ of science.”³¹ Nevertheless Röpke maintains that it is in fact impossible for any scientist, natural or social, to pursue their discipline completely free from the context of their time. “He is,” Röpke writes, “pursuing his researches as a child of his age.”³² This, however, need not lead to hopeless subjectivity and a resignation to relativism. One way of addressing the issue, according to Röpke, is for scholars to be “honestly conscious of all these pre-scientific determinants and weighing the degree of subjectivity which they give to their researches.”³³ Sharpening his point, Röpke even suggests that

²⁷ Röpke, “A Value Judgment on Value Judgments,” 499.

²⁸ Röpke, “A Value Judgment on Value Judgments,” 503–4.

²⁹ Röpke, “A Value Judgment on Value Judgments,” 504.

³⁰ Röpke, “A Value Judgment on Value Judgments,” 504.

³¹ Röpke, “A Value Judgment on Value Judgments,” 503.

³² Röpke, “A Value Judgment on Value Judgments,” 502.

³³ Röpke, “A Value Judgment on Value Judgments,” 502.

it is actually a *betrayal* of science for a scientist to play the game of pretending that he has no values at all. The persistence of such a denial in the academy, he maintains, will actually lead to the deliberate neglect of attention to values and ultimate reasons and the subsequent creation of a vacuum that will be filled by “demagogues and dilettanti.”³⁴ Another objective element that necessarily enters into economics as a social science and thereby helps provide economics with a type of implicit moral structure is what Röpke calls “anthropological facts.”³⁵ These are “anthropological constants”³⁶ that must be respected by economists just as much as they respect the fact that particular words mean specific things. These are, to Röpke’s mind, simply impossible for any social scientists to ignore:

Even the sternest relativist knows quite well that there are “right” and “wrong” relations to property, to the other sex, to youth and age, to the sequence of generations, to the pleasures of life, to the holy and unworthy, to the beautiful, the true and the just, to reason and sentiment, to society as a whole, to war and peace. We also know that in our disjointed world of today most of these relations are dangerously wrong.³⁷

In one sense, Röpke is hinting at a truth of which we are all aware: that most people who describe themselves as skeptics or relativists seldom act in a manner consistent with their skepticism or relativism when it comes to the way, for example, they expect *their* property to be treated by others or in the manner in which they raise *their* children and care for *their* parents. Likewise Röpke insists that relativists do *know* that there is a tangible difference between war and peace and act accordingly. This is simply what Röpke calls “the world of man: we cannot go beyond it, and it is this that gives us measure and norm.”³⁸ Even in the Soviet Union of his time, Röpke argues, and despite Marxism’s contempt for “bourgeois” family relations, “the indispensability of the family seems again to be recognized.”³⁹ While it may be the case that the world can enter a state of fundamental disorder, Röpke indicates here that fundamental anthropological constants have a way of reasserting themselves in often very difficult circumstances.

³⁴ Röpke, “A Value Judgment on Value Judgments,” 503.

³⁵ Röpke, “A Value Judgment on Value Judgments,” 509.

³⁶ Röpke, “A Value Judgment on Value Judgments,” 509.

³⁷ Röpke, “A Value Judgment on Value Judgments,” 509.

³⁸ Röpke, “A Value Judgment on Value Judgments,” 510.

³⁹ Röpke, “A Value Judgment on Value Judgments,” 510n25.

Reason, Rationality, and Economics

Röpke's criticism of those who want to cleanse social sciences such as economics of value judgments seems to be based on two premises. The first, which is generally implied rather than specifically stated, are natural-law claims about the nature of reasoning: that through reason we can know essential goods whose worth is self-evident to us and which give purpose and coherence to the entire intellectual enterprise. Röpke is convinced that changes in our understanding of the nature and scope of reason between the medieval period and the reign of what he calls "scholastic rationalism" on the one hand, and the type of rationalism that Röpke associates with the various Enlightenments on the other helps to explain many people's blindness to these truths.⁴⁰ From the seventeenth century onward, Röpke claims that rationality slowly degenerated into a type of "unbridled analytical thinking," a process to which figures such as Descartes and Kant certainly contributed.⁴¹

Röpke's second basis for critiquing neutralism in the social sciences is the previously mentioned "anthropological" facts. Here Röpke does not mean just "physical" dimensions of the human species (he mentions, for example, that the "unalterable natural" fact that it is women rather than men who alone can physically bear children has implications for society),⁴² but also certain verifiable constants of human existence. His reference to property, for instance, points to the known fact that different forms of property ownership have discernible effects: for instance, a regime of private property generally has different observable effects to collectivized property arrangements—a point underscored by figures in quite different historical periods ranging from Aristotle to Aquinas, Montesquieu and Tocqueville.

What does this mean for economics? In Röpke's view, value judgments play a role in what subjects are chosen by economists to explore further. There are thousands of topics that economists can choose to pursue in great detail, but they cannot explore all of them. They must make choices,⁴³ and such choices are determined partly by what we think is more important, interesting, or valuable than other options. Economists, in Röpke's view, should cease shying away from pretending that a discovery in economics or the development of a theory

⁴⁰ Röpke, "A Value Judgment on Value Judgments," 511.

⁴¹ Röpke, "A Value Judgment on Value Judgments," 511–12.

⁴² Röpke, "A Value Judgment on Value Judgments," 16.

⁴³ Röpke, "A Value Judgment on Value Judgments," 503–4.

of proposition has nothing to do with particular value judgments.⁴⁴ Even terms such as “inflation” and “deflation” reflect an unspoken assumption of what is or should be “normal” in the sphere of monetary policy⁴⁵—normal presumably meaning here what is optimal.

This is especially important with regard to what Röpke calls “interpersonal comparisons of utility.”⁴⁶ It is the case that when, for instance, an economist wants to prove the advantages or disadvantages of progressive taxation, or the benefits and problems associated with a more equal distribution of incomes, he is working off the premise that progressive taxation or more equitable income distributions are either marginally *better* or marginally *worse* for a given society. That indicates, at least for Röpke, that economists should cease pretending to mount a “purely ‘economic’” case for something like free trade⁴⁷—a cause that Röpke himself advocated more-or-less consistently his entire life. The opposite of free trade, that is, protectionism and autarky, cannot be judged on economic grounds alone. It is either, Röpke says, a retrograde civilizational step or an “indispensable means of defending” society.⁴⁸ To this extent, economic choices and developments cannot, in Röpke’s view, be separated from (1) what one thinks is happening in the social order and (2) whether someone judges such changes to be good or otherwise.

The same applies when deciding how and when an economist seeks to address a problem rather than simply seeking to understand it as an economic phenomenon. Looking at the case of inflation, Röpke argues that the great inflation that shook Germany in the 1920s was of such a scope and had such clearly damaging effects on society, that it soon became clear that arguments about the “niceties of monetary theory” or disputes about “index numbers” had, at some point, to give way to economists’ focusing on the best ways of combatting inflation. The only thing that could motivate an economist to do so is some type of moral and political judgment about inflation that dictated a subsequent change in the scope and focus of the economist’s work.

This concern for values and the place of value judgments in economic science and the formation of economic policies and institutions expressed in Röpke’s article on value judgments was to shape most of his writings during and after the

⁴⁴ Röpke, “A Value Judgment on Value Judgments,” 504.

⁴⁵ Röpke, “A Value Judgment on Value Judgments,” 505.

⁴⁶ Röpke, “A Value Judgment on Value Judgments,” 505.

⁴⁷ Röpke, “A Value Judgment on Value Judgments,” 505.

⁴⁸ Röpke, “A Value Judgment on Value Judgments,” 508.

Second World War. It also gives us insight into some of the concerns of those economists who played such an important role in formulating and implementing the reforms of the West Germany economy that was to lead to the famed German economic miracle of the late 1940s and 1950s.

In the long-term, however, Röpke's article on value judgments underscores the need for economists to be protective of the empirical dimension of their work, but not to fall into the trap of making economics out to be a morality-free exercise, a form of applied positivism, or simply a utility-comparison project. In our own time, the growth of economic sub-disciplines such as institutional economics, constitutional economics, and behavioral economics represent the emergence of ways of economic thinking that do hold that certain types of values and moral judgments, whatever they might be, *have* economic significance and economic effects and thus need to be understood on their own terms. While Röpke's article points forward to these developments, it also harkens back to the dawn of modern economics, in which Adam Smith's *Wealth of Nations* was not just an effort to systematically understand and present how modern capitalist economies work but also an attempt to present the moral benefits, drawbacks, and principles that inform such a system and the alternatives of the time. In our own time in which relativism is quite widespread and positivism continues to inform a great deal of intellectual inquiry, Röpke's article points economists in an entirely different and perhaps an even more noble direction.