

# The Irrationality Of “Rational Economic Man” As Reflected In *Middlemarch*

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**Abstract:**

*The term Rational Economic Man implies the possible thinking modes of most British people in the 19th century. Drawing on the flaws in the early history of this term, this study focuses on Lydgate’s fall in Middlemarch. Lydgate’s fall is characterized by the transition from the generalization of rationality to the loss of rationality. By presenting the fall of Lydgate, Eliot criticizes the extreme dependence of rationality and advocates a more flexible insistence of rationality.*

**Keywords:** *Middlemarch, George Eliot, Rational Economic Man, rationality*

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## I. Introduction

*Middlemarch*, a novel appearing in volumes from 1871 to 1872, is set in a fictional midland town from 1829 to 1832. This period features great growth in British capitalism. Most characters in *Middlemarch* are involved in the daily transactions. This study discusses the Lydgate’s fall by conducting a close reading from the perspective of economic ethics. Drawing on the development of the concept “Rational Economic Man” in the 19<sup>th</sup> century, this study reflects upon how the generalization of rationality and loss of rationality affects the action of Lydgate.

## II. The Origin of Rational Economic Man

The concept of Rational Economic Man, as an expression of the motive of economic behaviors, can be traced back to the British Classical Economics. The term “self-love” seems to be the origin of “economic man” in this concept, as Adam Smith talks of the principle of division of labor in *The Wealth of Nations*:

Give me that which I want, and you shall have this which you want, is the meaning of every such offer.... We address ourselves, not to their humanity but to their self-love, and never talk to them of our own necessities but of their advantage. (bk. 1, ch. 2, par. 2)

The self-love motive in the economic behavior becomes the basis of the Adam’s economic theory. As self-love can only be achieved in the mutual benefits through altruistic behavior, the deceptive behaviors are avoided under certain constraints. In this way, economic behaviors of self-love increase the public welfare unconsciously. But the self-love motive does not emphasize the aspect of “rational” which refers to efficiency or maximizing interests. Nassau W. Senior (1965) adds the “rational” aspect to the “economic man”. Among Senior’s four propositions of the science of political economy, the first one says, “That every man desires to obtain additional Wealth with as little as sacrifice as possible” (1965, p. 26). Since then, most economic theories have regarded maximizing self-benefits as the motive of economic behaviors.

Utilitarianism, one of the most important ethical thoughts, inherits and develops the idea of maximizing self-benefits. John S. Mill declares the necessity of abstraction in this concept. Mill’s effort can be seen in the debate with The School of German History. Karl G. A. Knies, a representative of this school, criticizes the abstraction of this concept, because it ignores the historical, sociological and moral influence on the motives (Yang, 1998, p. 116). But Mill (2000) defends this abstraction from the methodological perspective, claiming that the *a priori* method in Political Economy, as the scientific mode of investigation, cannot take into account all the material circumstances. The abstraction is necessary for the theoretical study of economics. Only by abstracting the most relevant economic motive can researchers focus on the influence of this motive. In this way, Mill treats Rational Economic Man as a theoretical hypothesis. According to Coleman, Mill (2000, pp. 75-76) also involves himself into the debate with William Whewell and William S. Jevons by modifying Bentham’s utilitarianism. Unlike Bentham, Mill pays more attention to the altruism and adds a qualitative distinction of pleasure, thus making it less possible for the calculation of pleasure. Based on the study on George Eliot’s editorship in Westminster Review and Edith Simcox’s diary, Coleman (2015, p. 76) claims that Eliot agrees that the qualitative distinction of pleasure is morally informed and that the incompleteness of Utilitarianism as an ethical system can be shown in “the difficulty of integrating Mill’s modification”. To a certain degree, Eliot views Mill’s thought with some sympathy probably for its moral concern, but she never fully expresses her support.

However, the neoclassical economists develop a further abstraction of this concept. Drawing on the advanced mathematics, they focus on the nature of market pricing and exchange on the basis of marginal utility. The rational economic man is endowed with the property of perfection of information and mathematical quantification. In the new concept, the man is reckoned as “the utility maximizing agent”, which underestimates “a singleness of purpose” in the concept and gradually jettisons “moral sentiments” in the classical economics (Coleman, 2015, p. 77). Even at the advent of similar tendency in economic thoughts before neoclassicism, Eliot writes in her essay “Natural History of German Life” which appears in 1856 Westminster Review:

The tendency created by the splendid conquests of modern generalization, to believe that all social questions are merged in economical science, and that the relations of men to their neighbors may be settled by algebraic equations..., none of these diverging mistakes can coexist with a real knowledge of the people, with a thorough study of their habits, their ideas, their motives. (Eliot, 2009, p. 146)

In this essay, Eliot disapproves of the generalization of connotations in economic science. She even foresees the latter revision of the Rational Economic Man in the theory of economics. The unrealistic condition for economic decisions and its overdependence on mathematics are gradually revised by subsequent economists. The new concepts, such as opportunistic behaviors and limited rationality, have their roots in problems arising from the test of Rational Economic Man.

This study focuses on the irrationality of the Rational Economic Man hypothesis by investigating its deficiencies in the economic decisions in *Middlemarch*. By conducting a close reading of the fall of Lydgate, this study discusses the uncertainty of psychological and moral conditions in economic decision-making.

### **III. The Irrationality in the Generalization of Rationality**

Initially Mr. Farebrother exhorts Lydgate with two intriguing sentences when they meet each other for the first time: “You must keep yourself independent” and “You must not be too sure of keeping your independence” (Eliot, 2012, p. 188). The first one means the requirement of the personal value, such as medical skills, while the second not only indicates the family ties, marriage but also intrigues in *Middlemarch*. Immediately after their talk, Lydgate is forced into the intriguing casting-vote. In this episode, the selected chaplaincy will be responsible for the Infirmary where Bulstrode is planning to set up with Lydgate. The voting process is immediate and Lydgate has few knowledge of candidates of both sides. The narrator guesses Lydgate’s mentality before his vote in indirect speech, “He continued..., to persuade himself that it was not only no proper business of his, but likely enough never to vex him” (Eliot, 2012, p. 192). He tries to be independent of it but “finds himself at the very outset in the grasp of petty alternatives” (Eliot, 2012, p. 195). Although Mr. Farebrother seems to be friendly and frank with Lydgate, Lydgate finally votes for Tyke, a man in Bulstrode’s party. His final choice is somewhat an impulse from the circumstances, as the narrator says, “I think he trusted a little also to the energy which is begotten by circumstances” (Eliot, 2012, p. 195). This episode challenges the generalization of rationality by presenting an undecidable situation. Lydgate’s dilemma denies the properties of agent in the economic behaviors. As the selection is associated with Lydgate’s medical career, this choice cannot exist without the economic consideration. However, Lydgate has few knowledge of the candidates and the benefits brought by his choice cannot be calculated. Even if he is aware of his possible association with the Infirmary, he also considers his relationship with Mr. Farebrother. This dilemma reveals a broader scope of economic behaviors: its interaction with interpersonal relationships and the circumstances for the choice.

It seems that Lydgate’s casting-vote does not affect his life in Middlemarch directly, but it may carry itself with other conditions to cause far-reaching trouble. When Lydgate tells Dorothea about people’s

opposition to the New Hospital, he says, "The immediate motive to the opposition, however, is the fact that Bulstrode has put the medical direction into my hands" (Eliot, 2012, p. 483). Faced with the opposition from other doctors, he is still too sure of keeping his independence by conducting "better method of treatment" and beneficial "observations and inquires" (Eliot, 2012, p. 483). Drawing on his medical skills, he regards those opponents as ignorant, thus unconsciously coming into line with Bulstrode. The narrator imitates the possible reaction of the residents, "The cubic feet of oxygen yearly swallowed by a full-grown man – what a shudder they might have created in some Middlemarch circles" (Eliot, 2012, p. 487). As most residents cannot understand the quantitative medical terms, Lydgate's method of treatment inevitably receives suspicion and distrust. If Lydgate wants to improve his reputation in Middlemarch, he should try to reconstruct his communication with residents instead of isolating himself from other residents. Similarly, he also offends Mr. Mawmsey unconsciously by complaining the drug overdose, "To get their own bread they must overdose the king's lieges; and that's a bad sort of treason.... undermines the constitution in a fatal way" (Eliot, 2012, p. 488). Lydgate does not expect that Mr. Mawmsey would regard "a longer bill than usual as a dignity worth mentioning" and even directly benefit from the drugs. He just considers the objective effects of the drugs and the constitution without considering their psychological effects on people. These standards can become a seemingly reliable illusion if Lydgate just consult them instead of focusing on the scene. But in Lydgate's mind, these standards represent rationality which he can rely on to deal with his relationship with others. The following talk after the offence between Mr. Hackbutt and Mr. Hawley happens to point at these standards. Mr. Hawley directly tells Mr. Hackbutt about the ineffective medical jurisprudence, "You'd only break your nose against a damned judge's decision" (Eliot, 2012, p. 492). As the jurisprudence system in practice is ineffective in terms of medical issues, Lydgate's absorption into the medical law does not prove his rationality. Due to his absorption in rationality, he gives up the chance to review the actual operation of the seemingly rational law, thus forming a closure of irrationality. In this closure, it is less likely for Lydgate to put himself into the shoes of others and see what is really happening around him.

In fact, absorbed in seemingly rational standards, the Rational Economic Man has lost its previous connotation of "self-love". The "self", as an inference from rational standards, is not the self that faces the reality but a generalized construction from the theorists' abstraction. As Lydgate just infers the "self" from those theories and applies it into the transaction without considering the social context, he naturally achieves the irrationality of the generalization of rationality.

#### **IV. The Failure in the Loss of Rationality**

When Lydgate finds that her wife Rosamond loses their baby after she drives the house, he begins to realize the limitation of his previous absorption in rationality, "His superior knowledge and mental force, instead of being, as he had imagined, a shrine to consult on all occasions, was simply set aside on every practical question" (Eliot, 2012, p. 642). This realization is partly for his inability to control his wife according to his

rationality. Rosamond is adept in acting according to the scene flexibly and always knowing her goal, just as Lydgate describes her cleverness in this way, “No one quicker than Rosamond to see causes and effects which lay within the track of her own tastes and interests” (Eliot, 2012, p. 642). She used to a life of luxury since childhood and regards the happiness of family as enjoying herself. Together with the failure of hospital, the cost of the furniture and decorations reach the extreme. Lydgate has to reveal their poverty to Rosamond. After their initial talk on the property disposition, they do not reach an agreement. Gradually, Lydgate worries about their marriage and enters into another situation:

It was the sense that there was a grand existence in thought and effective action lying around him, while his self was being narrowed into the miserable isolation of egoistic fears, and vulgar anxieties for events that might allay such fears. (Eliot, 2012, p. 711)

Lydgate realizes great economic pressure and suffers from it in his daily life. Rosamond tries to persuade him into giving up the life in Middlemarch but he refuses her proposal. After their argument, Rosamond secretly plans to prevent Lydgate from selling their house and furniture and writes a letter to Sir Godwin for help. As no one would like to buy their house and Sir Godwin gives no reply, Rosamond has to reveal her plan to Lydgate, thus beginning their argument again. These disturbances have influenced his work. Previously, his mind has been occupied with the care for his patients. Now as his mind is full of these disturbances, he tries to get rid of them by escaping into the world of gambling. As it says in the novel, “his thoughts now began to turn upon gambling..., but with a sort of wistful inward gaze after that easy way of getting money, which implied no asking and brought no responsibility” (Eliot, 2012, p. 735). This narrow view of the world not only indicates but also contributes to his loss of rationality. When Fred finds Lydgate in the Green Dragon, Fred is reminded of “an animal with fierce eyes and retractile claws” (Eliot, 2012, p. 739). Similarly, before Raffle’s death, Bulstrode suddenly claims to lend a thousand pounds to Lydgate. As soon as Lydgate hears it, he is haunted by “a great leap of joy within him surmounting every other feeling” (Eliot, 2012, p. 776). At that moment, he just focuses on the economic pressure at hand and tries to get rid of the way. Bulstrode just draws on his temporary feelings to control him.

It seems that Mr. Farebrother’s initial exhortations predict two extreme thinking modes of Lydgate. From being too sure of his independence to the loss of his independence, Lydgate experiences a transition in his mind. After realizing that his rational knowledge does not work in the practice, he does not think about the generalization of rationality any more but denies all of his rationality, thus making himself subject to the vile yoke.

## **V. Conclusion**

The early history of Rational Economic Man shows the tendency of becoming increasingly abstract in this hypothesis. The failure of the tragic hero Lydgate in *Middlemarch* is associated with his generalization of rationality in his thinking. Unconscious of the potential effects of his action, Lydgate accumulates the debts and

feuds with other people. Lydgate's trouble indicates Eliot's moral thinking against the generalization of rationality. The generalization seems to worship the rationality as a dogma without considering the specific circumstances. The rationality should test and change itself in different circumstances. The transition from Lydgate's obsession with rationality to the loss of his rationality highlights the necessary existence of rationality. Eliot seems to admit the insistence of rationality in guiding our actions. But this insistence, not blind to the present reality, adapts itself to the changing circumstances.

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