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PHILOSOPHICAL CONSTRUCTION OF CLASSICAL ECONOMICS AND ITS WEBERIAN CRITIC

Lütfü ŞİMŞEK*

ABSTRACT

Classic economics as discipline was constructed on the base of empiricist rationalist tradition. Descartes, Hobbes, Locke and especially Hume have their influence on the philosophical foundations of classic economics. This concept of science in general conceives its subject as law governed and rational structure and this structure can be studied by empirical research. Especially the achievements of natural science beginning with 17th century led to this understanding of science to gain great authority. In the 18th century, when the subject of scientific study become social sphere, it was thought that this same method, which gained success in natural sciences, could be used in social sciences too with same success. Just as in natural sciences, the laws governing society could be investigated using empirical data on the acceptance of atomic individualism. Using this empirical data laws of society could be found with induction. Causal explanation and empirical observation lies in the heart of this understanding. Weber on the other side thinks, in the social science in order to ascertain cause of an action you have to understand meaning attached to it by social agent. He separates *aktuelles verstehen* from *erklarendes verstehen* where scientists should search for the meaning of an action. Structure of society shapes action of the individual. This is against atomistic individualism of the classical economy. In our paper we will try to give a clear understanding of philosophical foundations of classic economics and then turn to Weberian critic of positivist science to evaluate its meaning for contemporary economics as a social science.



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STRUCTURED ABSTRACT

Introduction

Classic economics as discipline was constructed on the base of empiricist rationalist tradition. This concept of science in general conceives its subject as law governed and rational structure and this structure can be studied by empirical research. Causal explanation and empirical observation lies in the heart of this understanding. Weber on the other side thinks, in the social science in order to ascertain cause of an action you have to understand meaning attached to it by social agent. Scientists should search for the meaning of an action. Structure of society shapes action of the individual. This is against atomistic individualism of the classical economy. In our paper we will try to give a clear understanding of philosophical foundations of classic economics and then turn to Weberian critic of positivist science to evaluate its meaning for contemporary economics as a social science.

Conceptual framework

Especially with the crisis that started in 2007, positivist foundations of economics have been discussed intensively. Economics' inability to predict undermines its claim to be a science. The problem of gap between economic reality and economic theory accelerated the search for new models for the social sciences. In this study, we tried to provide new foundations for social sciences by presenting Max Weber's ideas as an alternative method.

Method

We used primary sources to illustrate classical economics and the philosophical background of its foundation. Afterwards, we focused on the criticisms that can be directed on this subject with the comparisons we made with Max Weber's works.

Conclusion and propositions

Theoretical structure of the social sciences was shaped within the conceptual framework of modern science, with an one-way interpretation of a certain philosophical tradition. Empiricist-Rationalist philosophy is at the basis of Classical Economics. important point for our study is the dominant character of positivist philosophy tradition.

We showed this in our study by examining the relationship between philosophy and science in the common history of both disciplines. In its spontaneous development, the scientific revolution could not have its true meaning unless. The connection of the Empirist-Rationalist philosophy tradition, which forms the basis of positivism, in Classical Economics can be clearly seen from the basic theories of this school.

Our study of classical economics also gained the appearance of a critique of positivism. Classical Economics, which emerged as the first independent social science discipline, considers itself as a discipline independent of ethical values, seeking objective information; The purpose of science is to find out the social laws related to the functioning of the market and to examine them with scientific methods. In our study, we have argued that this claim is invalid by demonstrating the complex relationship between man and the market as part of the

social structure. The claim that economics as a social science discipline is independent of ethical values has been wrong from the moment it was put forward and the same holds true for other social science disciplines.

The assumption of human nature, which seeks to achieve maximum benefit, essentially assumes the acceptance of human psychology of a particular age as the immutable nature of man. Apart from the metaphysical essence of this method, economics takes a normative attitude by advising a person supposed to be rational to maximize its benefits.

The abstract human definition of economics comprehends man for the functioning of scientific models and does not care about himself.

The study of Classical Economics showed that economics also causes epistemological and methodological problems as it is a cognitive activity. These problems are caused by imitation of natural sciences and caused by concepts such as causality, objectivity, claim of absolute knowledge and social law. These evaluations of economics that emerged in the 19th century are still expressed for contemporary social science disciplines and show the origins of these problems in this sense.

The philosophical beginning of Weberian tradition is undoubtedly Kant's philosophy. Kant puts the free will of man on the basis of history and society

The philosophical beginning of this tradition is undoubtedly Kant's philosophy. Kant, philosophically underpinned the difference and originality of society from nature by placing the free will of man on the basis of history and society. His distinction between spirituality and reality later became the starting point of all German Idealism. This distinction can be regarded as the first manifestation of the distinction between the natural sciences and the natural sciences, which we clearly see in Dilthey.

Weberian approach, which proposes a definite distinction between social and natural sciences, claiming that facts should be separated from values, approaches positivism with the claim that science can be independent of values. Likewise, understanding society as a set of meanings created by man requires the acceptance of a certain human nature, as in positivism.

Keywords: Classical Economics, Empiricism, Positivism, Max Weber.

KLASİK İKTİSATIN FELSEFİ TEMELLERİ VE WEBERYEN ELEŞTİRİSİ

ÖZ

Klasik iktisat bir disiplin olarak empirist rasyonalist felsefe geleneği üzerine kuruldu. Descartes, Hobbes, Locke ve özellikle Hume klasik iktisatın felsefî temellerini belirleyen filozoflar oldular. Bu felsefe bilim anlayışı, konusunun akılla kavranabilir bir yapısı olduğunu bu yapıyı yönlendiren yasalar olduğunu ve empirik araştırmayla bu yapının

ortaya çıkarılabileceği temel düşüncesi üzerine kuruludur. Özellikle 17.yüzyıla birlikte gelişen doğa biliminin elde ettiği başarılar bu bilim anlayışının büyük bir otorite kazanmasına yol açmıştır. 18. Yüzyıldan itibaren toplumsal alan bilimsel incelemenin konusu yapılmaya başlandığında doğa bilimlerinde başarı kazanmış bu aynı yöntemin toplum bilimlerinde de kullanılabileceği düşünülmüştür. Tıpkı doğabilimlerinde olduğu gibi empirik veriler kullanılarak toplumu yöneten kanunlar tümevarım ve tümdengelim yöntemiyle bulunabilir kabulü hakim olmuştur. Nedensel anlama ve empirik gözlem bu anlayışın temelini oluşturur. Weber ise toplumsal eylemi anlayabilmek için onu gerçekleştiren sosyal bireyin ona atfettiği anlamı bilmek gerekir. **Aktuelles verstehen** ve **erklarendes verstehen** kavramlarını birbirinden ayırarak bilim adamının anlamı araması gerektiğini söyler. Toplumsal yapı bireyin eylemini biçimlendirir. Bu anlayış klasik iktisat anlayışının atomik bireyciliğinin karşıtıdır. Dolayısıyla doğada olduğu gibi en küçük parçanın özelliklerini ve hareketinin yarasını inceleyerek buradan yaptığımız çıkarımla bütünü anlayamayacağımızı bütünün parçanın hareketini yönlendirdiğini, anlamın toplumsal alanının incelenmesinde taşıdığı önemi ortaya koyar. Çalışmamızda klasik iktisatın felsefi temellerini açık bir şekilde ortaya koyduktan sonra Weber'in pozitivist bilim anlayışı eleştirisine bakarak bunun günümüzde sosyal bilimler için anlamı üzerinde duracağız.

Anahtar Kelimeler: Klasik İktisat, Empirizm, Pozitivizm, Max Weber

1. Classical Economics

Classical Economics can be said to started with the publication of “**The Wealth of Nations**” (1776) and John Stuart Mill’s death (1873) is considered as the end of this school. It is shaped around basic concepts such as labor-value theory, **laissez-faire** ideology, free competition and free trade. In spite of these common concepts they were different economists who express very different opinions even in these basic theories.

Classical economics, which almost contradicted the teachings of the Physiocrats, maintained the **laissez - faire** ideology of the Physiocrats and, in a sense, formed a more appropriate theory. According to this school, the free competition market system has mechanisms that allow people to meet their needs in the most appropriate way under the visible chaos created by competition. The classics believe that the assurance of the healthy functioning of the system lies not in central interventions but in the natural functioning of society.

The French Revolution and the Industrial Revolution played a role in the theoretical formation of Classical Economics from the very beginning. Industrial revolution increased technological advances and their application to the industry considerably. The French revolution eradicated the medieval institutions and established a political regime on the concept of individual and its rights.

Using the framework of the Modern science and its methods, classics developed their own methods but their conception of static and stable universe is same. The system is closed in itself and does not foresee change. It has a static structure that can be explained once its construction is understood under one guiding principle, just like in the nature.

Whereas different classes in the society form a harmonious structure for Adam Smith, Starting with Ricardo we begin to see different interests of different classes and class conflicts.

For Ricardo, no class can flourish without damaging the interests of others. In this sense, Ricardo's economic system is also the end of the Enlightenment idea, namely the constantly advancing optimistic ideal of society.

1.1 Self Interest

David Hume, under the influence of Newtonian physics thinks of self interest as the guiding principle for society like the gravitational force is in the nature. In order for the idea of interest to be regarded as an invariant feature of **human nature**, the land must be commercialized, the land that was previously seen only as a piece of land should be turned into a source of income and should be a part of the market. The functioning of the market system, in which everything can exist only by its monetary value, is essentially based on profit and requires the legitimization of this concept.

The problem of survival was henceforth to be solved neither by custom nor by command, but by the free action of profit-seeking men bound together only by the market itself. The system was to be called capitalism, although the word would not be widely used until the late nineteenth century! And the idea of gain which underlay it was to become so firmly rooted that men would soon vigorously affirm that it was an eternal and omnipresent part of human nature. (Heilbroner, 2003: 35)

The concept of earning was blessed as the aim of **human nature** and rationality. Classical Economics consider the concept of profit as a regulating principle of society.

1.2 Adam Smith

We can see traces of Scottish Enlightenment in Smith's theory. He matured his thought in his discussion with the ideas formulated by Locke, Quesnay and Hume before him.

Adam Smith's method is Newtonian. He expressed his admiration for Newton both in his writings and in the economic political system he established. Newton's gravitational law is the greatest discovery made by man for him. The discovery of the tremendous chain of the most sublime truths that connect the whole experience of everyday life with a single letter. The aim of a real study of philosophy is to find out the general laws that reveal the operation behind the phenomena, as Newton did .

Smith's aim is to reveal laws that regulate social phenomena. He takes Hobbes system based on the psychology of individuals. Hobbes founded his political philosophy on the assumption that, despite all their differences, all people had a single common nature. Adam Smith, who takes Galileo and Newton as an example in science, adopts the idea of a system where theoretical models are tested with observation. In his words

Systems in many respects resemble machines. A machine is a little system, created to perform, as well as to connect together in reality, those different movements and effects which the artist has occasion for. A system is an imaginary machine invented to connect together in the fancy those different movements and effects which are already in reality performed. (Gordon, 1991: 132)

This quote, which shows the meaning of model for him, also emphasizes the characteristics of Adam Smith's scientific method. Smith, who makes human psychology, which he considers to be common to all human beings, a starting point, created a doctrine based on the idea of system as well as individual. He thinks that the concept of system and structure can be used to understand particular phenomena as tools of scientific method, just as the principle of operation of a machine facilitates the understanding of the functions of parts.

In the Theory of Moral Sentiments , he specifically focused on the tensions between the selfishness and sociality of the individual, the common problem of the Scottish tradition. The

pursuit of interests finds the ability of a person to make moral judgments, that is, the ability to make judgments other than his own personal interests, in the ability of man to think of others, to put himself in the place of others, that is, empathy: the joy of human empathy and the happiness of others; may suffer from grief.

How selfish soever man may be supposed, there are evidently some principles in his nature, which interest him in the fortune of others, and render their happiness necessary to him, though he derives nothing from it except the pleasure of seeing it. Of this kind is pity or compassion, the emotion which we feel for the misery of others, when we either see it, or are made to conceive it in a very lively manner. That we often derive sorrow from the sorrow of others, is a matter of fact too obvious to require any instances to prove it. (Smith, 2004:11)

In the theory of economics, he explains selfish man's actions in this direction to meet the needs of other people ; and how this behaviour acts as a mechanism regulating the functioning of society. Adam Smith published **The Wealth of Nations** in 1776. This book addressed the functioning of the market. Although it wasn't distinctive in philosophical sense, it was the first book to explain seemingly irrational social phenomena rationally. It is the first book of political economy and a system that makes it intelligible. In this system, people acted as objects that act under gravity in nature, in the motive of obtaining their interests or avoiding harm.

Adam Smith's aim was to find a general principle in Newtonian physics that would explain the interactions of individuals, such as the fact that gravity brings objects closer together in nature. This principle that pushes and attracts human " particles is personal interest. People turn to a goal to gain benefit or they avoid it when they sense harm. Let us recall that Hume says that passions are driven by the influence of external objects and that they determine our behavior and are more effective in this sense. What human mind can do is only determine this situation.

Adam Smith's social atomism allows him to make generalizations from observable qualities that include what we cannot observe. Thus, the social structure is essentially based on observable 'objective phenomena'. When we observe the factors that determine their actions by observing individuals again with their nature, the system is completed.

We know that Smith accepted desire **to love himself** and to exchange their possessions to meet his needs as principles of this kind of action. These are the psychological characteristics of human beings that enable them to develop from the first stages of society to the stage of a commercial society . The desire to gain and exchange benefits inevitably creates the division of labour. The division of labour requires the existence of a market. The market is a place where everyone has the power to buy to the extent of their wealth. At this point, there is a difference between John Locke and Adam Smith in terms of ownership.

The basic problem that Smith put forward in his earlier work, the problem of keeping individual interests together with the principle of social benefit, without being dispersed by the centrifugal forces, attains the real solution in the **Wealth of Nations** . He does not try to solve this tension with artificial political systems, as in Hobbes or Locke . He argues that this problem is solved by the rules of operation of the market on which it is based on human nature. Individuals with the same impulses compete with each other when they want to meet their individual interests, and this competition ensures that the goods that society needs are produced at the prices and amounts they can afford.

every individual necessarily labours to render the annual revenue of the society as great as he can. He generally, indeed, neither intends to promote the public interest, nor knows how much he is promoting it. By preferring the support of domestic to that of foreign industry, he intends only his own security; and by directing that industry in such a manner as its produce may be of the greatest value, he intends only his own gain, and he is in this, as in many other cases, led by an

invisible hand to promote an end which was no part of his intention. Nor is it always the worse for the society that it was no part of it. By pursuing his own interest he frequently promotes that of the society more effectually than when he really intends to promote it (Smith,1997:593)

Personal gain is a common goal for all people. The food we found on our tables. Not because the butcher or the baker are kind-hearted people, but because each one thinks of his own interest. They do not have any love or goodwill towards us in producing what we need . Their goal is to earn their own lives; but in doing so, they also produce what we need.

Everything in the society functions in a mathematical order and certainty. The market automatically equates labour and capital gains, determines the demand for various goods and prevents them from being produced in low or high amounts, preventing producers from harming them. In case of any deviation, the market draws it back to its natural level, with the increase in wealth accumulation, division of labour and therefore prosperity.

In its entirety, Smith's system is, in a sense, an example of rationality and order, an example of the eighteenth-century belief in the inevitable triumph of order. However, he distances himself from Enlightenment by throwing human out of the system. When we compare him with the Kant, who considers free mind as the task of man, Smith's system is no more than an explanation of the mechanical functioning of social mechanisms. After the Enlightenment philosophy, which aims human beings, in Adam Smith's theory of society, man is transformed into a detail within a mechanical system .

For Adam Smith, who thinks that what is good for society will derive from the natural functioning of the system by necessity, the social right is not something to be created by contract or political will; it is hidden in the mechanism of social functioning. It is not open to human intervention. Whereas, Even Hobbes's ruler with absolute authority was chosen by people, and thus ultimate authority is human. When we come to Adam Smith, man's will ceases to be the most decisive will on society and is replaced by the logic of the system based on social laws. Explaining this logic is the task of economic politics which investigates these laws.

Like Newton's static universe, Adam Smith's social system can not foresee that capitalist society of the 18th century may evolve into another system. Regardless of the extent to which development reaches quantitatively, it does not produce a qualitative transformation. Social dynamics are not strong enough to transform the social structure into another stage. This approach, pursued by other theoreticians of classical economics, tries to explain society through abstract models. In an effort to find the principles that will ensure the functioning of the model, the model turns into a real purpose. As can be seen in the basic theories that we will examine below, the obvious interest of philosophy in humanity disappears in economic theories and leaves its place to find computable criteria of the principles that provide the functioning of the model.

When we compare Adam Smith with Malthus and Ricardo, we see that the living economic system of Adam Smith is replaced by the dry and meaningless universe of the hypothetical abstract man .

Here is nothing but principle, abstract principle, expounded by an intellect that is focused on something more permanent than the changing flux of daily life. This is as basic, bare, unadorned, and architectural as Euclid, but, unlike a set of pure geometrical propositions, this system has human overtones: it is a *tragic* system. (Heilbroner, 2003: 85)

It is precisely this tragedy that raises political economy to the level of science. Economics, which explains the human world around an abstract model without including human; it does not only explain the economic meaning and rules of rent by way of simplified reasoning ; It also brings humanitarian issues such as tax, economic policy, domestic and foreign trade into this abstract model.

In Adam Smith While the philosophy of Hume was heavily enough to be observed, political economy evolved towards 'pure science' in the process, starting with Adam Smith, with the concern of explaining social processes subject to the natural laws that are governing society .

It was the Physiocrats and the Classical School that took economics as an independent field of study with its own laws. As we have noted, 18th century philosophers were writing in a Newtonian atmosphere. Newton's scientific achievements and thought influenced all other fields of thought. David Hume , who wanted to examine social issues in accordance with the principles of Newtonian science, found the basic principles under the actions and thoughts of individuals and wanted to create a social science from these principles with a scientific method without adding values into explanation. We have already discussed notion of self interest as such a basis and the important role it plays in the discipline of economics.

Just as the laws of motion and gravitation of objects can be accessed by laws governing the motion of planets, economists have hoped to explain the phenomena encountered in economic life with the basic principles they derive from the nature of abstract individual assumptions. Hobbes and David Hume each contributed to this to their own extent . In particular, however, it is important to remember that Hume distinguishes between morality and nature, and touches upon the principle of causality.

Adam Smith, in **Wealth of Nations'** Using Hume's method and philosophy, tried to explain the source of the riches and the structure of the economy grounded on the nature of individuals, in essence a psychological method. The assumption is that the total results of individual elections are unconscious. Traders who spend gold on imports from abroad do not actually want to raise prices; but they ultimately lead to this. From this point of view, the undesirable consequences of the conscious actions of individuals lead societies just like the laws of nature which prevail over humans.

The bond between Hume and Adam Smith does not mean they are all the same. In this respect, Hume's philosophy is full of warnings that values and certainties may interfere with the human mind. Hume's philosophy and Adam Smith's economic theory are two separate systems, however strong the influence of the first. Hume's example of prisoner who is soon to be executed, can be thought as a warning to economists who derive social laws from the nature of the individual. Hume here, indicates that while moving from one ring to another, human mind moves on a single straight line without seeing the transitions between them.

The same prisoner, when conducted to the scaffold, foresees his death as certainly from the constancy and fidelity of his guards as from the operation of the ax or wheel. His mind runs along a certain train of ideas: The refusal of the soldiers to consent to his escape, the action of the executioner; the separation of the head and body; bleeding, convulsive motions, and death. Here is a connected chain of natural causes and voluntary actions; but the mind feels no difference betwixt them in passing from one link to another; (Hume, 1997: 359)

Criticizing the concept of causality in this context, Hume states that it is a mistake of our mind to establish a definitive connection between the two things we are used to see together as cause and effect . Causality, on the other hand, is one of the basic methods of the School of Classical Economics.

those objects, of which we call the one *cause* and the other *effect*, consider'd in themselves, are as distinct and separate from each other, as any two things in nature, nor can we ever, by the most accurate survey of them, infer the existence of the one from that of the other. 'Tis only from experience and the observation of their constant union, that we are able to form this inference; and even after all, the inference is nothing but the effects of custom on the imagination. We must not

here be content with saying, that the idea of cause and effect arises from objects constantly united; but must affirm... is merely a perception of the mind.. (Ibid.s, 358)

The theoretical assumptions of Classical Economics have undoubtedly undergone many transformations and have been renewed with many criticisms. However, it is no doubt that the method, the basic theoretical assumptions and the positive understanding of science of the school in question still determine the basic formation of the science of economics. Friedman's following quote from contemporary economists is a good example of this.

Positive economics is in principle independent of any particular ethical position or normative judgments. As Keynes says, it deals with "what is," not with "what ought to be." Its task is to provide a system of generalizations that can be used to make correct predictions about the consequences of any change in circumstances. Its performance is to be judged by the precision, scope, and conformity with experience of the predictions it yields. In short, positive economics is, or can be, an "objective" science, in precisely the same sense as any of the physical sciences (Friedman, 1994: 647-648).

We need to address the methodological problems arising in the sense of philosophy of science. Like any cognitive activity, economics, as social science discipline, causes epistemological problems. The problem of causality is one of the most important problems arising from the transfer of natural science methodology as it is. We know that people in economic activity are accepted to be rational. But the reasons that determine this rationality and the causal comprehension of the general picture of the rationality of the results lead to the obstruction of natural science methods.

Many economic generalizations are based on the acceptance of causality; however, in the field of society where many variables are involved, such determinations are highly questionable. Economics, for this reason makes **Ceteris Paribus** assumptions. That is, economic assumptions are assumed to be valid in the absence of disruptive conditions. It uses solid abstractions and idealizations. Economic models of people. It is based on the assumption that it behaves rationally and has full knowledge of the market conditions in its activity. It is clear that such assumptions are not true. Finally, we can address the problems posed by the concept of structure in economics. The atomistic method of Classical Economics, which has a very systematic structure, assumes the idea of a system.

In conclusion, it should be noted that the foundation of Classical Economics in the 19th century, when the rise of the ideal of science in the intellectual age reached the stage of institutionalization, had an important role in shaping its theoretical conception. In the 19th century, the idea of examining all social phenomena, morality and social institutions with the method of natural sciences was very decisive in this sense. Before the 19th century, it was not possible to distinguish between science and philosophy; We can say that a definite distinction has been established with economics.

2. Max Weber

Although it is difficult to classify within a certain philosophy, It would not be wrong to say that Weber was under influence of Kant idealism and his contemporary New Kantian philosophers. Using hermeneutics as a method, Weber's aim is not a textual analysis, but a sociology based on comprehension with a causal explanation. "Sociology... social event interpretation (*deutend verstehen*), thus explaining its flow and its effects causally (*ursachliche*). *erklären*) is a science." (Weber, 1995: 10)

The general problem of a sociological definition based on interpretation and causal understanding is that, while maintaining its empirical character, it wants to know

the subject causally for its purposes, taking into account the specificity of sociality. Heinrich Rickert (1863-1936) influenced Weber in this sense.

According to Rickert, since Francis Bacon, positivism, which considers knowledge as independent of man and based on the belief that truthful knowledge can be obtained, cannot be base of real science. Because the structure of our minds and the structure of the reality it tries to explain are different from each other. As Kant has shown, we can never know what things are, that is, their essential nature, we can only know phenomena, what is happening. Since it is the ability to understand phenomena that give their forms, we do not actually focus on reality, but on the form that this reality takes in our own minds. Rickert with the words "knowledge is nothing other than what empirical reality expresses in logical forms" (cited in özlem, 2001: 39). Knowledge is the reconstruction of the outside world in the human mind. In this sense, we construct knowledge. This is the basis of all kinds of knowledge, since our logical forms that enable us to build knowledge are **a priori** and above experience.

What is common in natural and historical / social reality are forms of logic that make the object known as a conceptual construction. Rickert explains why these two types of science have different methods on the same conceptual basis: From a general perspective, reality is nature; but in terms of individuality and self-specificity, reality is history" (Ibid, p.40). Generally nature therefore, while trying to create laws, cultural sciences adopt an individualizing method because of the singularity and non-repeatability of the facts they study. Since natural sciences are full of repetitions, while working as generalizing sciences, they tend to know nature under laws; history follows an individualizing method as the science of one-time phenomena, and ultimately the natural sciences and cultural sciences are pushed into opposing positions.

Although nature is an area dominated by spontaneity, culture is the area where people who set goals in line with their values. In this sense, cultural reality rises above values. *Equality and freedom* have no empirical reality. They change historically / socially and gain new meanings. For this reason they can't be studied with the methods of natural sciences that deprive values. As Dilthey emphasizes, they can only be subject to **verstehen**.

Rickert says that the structure of reality is not inherently rational. The nature is a chaos that consists individual phenomena. The rational is our knowledge about reality not the reality itself. Although nature is a heap of individualities and there are no absolute identities, we think of it with similarities. In other words, we understand heterogeneous reality by homogenizing it.

Rickert, who found the basis of rationality of the natural sciences in the human mind, states that human being selectively turns to only a certain part of reality. However, the science of singular phenomena is still based on general concepts; because the logical essence of the concept is that it is general. Thus, although they are formed from experience, the generality of scientific concepts in terms of being disconnected from experience can be irrational in their rationality (real).

For these reasons, the cultural domain dominated by originality and individuality cannot be established on the natural science method. These sciences must be particular. However, talking about particularity contradicts the definition of the concept; because the essence is general. Rickert solves this contradiction by saying that general concepts should be examined under individualizing interests and goals, not from the concept of the individual.

With these concerns, Weber emphasizes the problematics of the Hermeneutical tradition by adopting the distinction between the natural sciences and the cultural sciences. In the cultural sciences, it is a problem that the researcher is a part of the society studied and is included in the

subject of the research object. While the researcher creates his / her subject with his / her selectivity and perception, his / her involvement is determined by his / her subject.

Weber Stating that he adapted the Kantian theory of knowledge to the study of society and human action, Holton says: "This means that the theoreticians, and indeed all actors, are building the meaning of the social world in which they live. This meaning is not inherent in social phenomena and let us say that these are not truths waiting to be discovered rationally. (Holton, 1997: 41)

In his view, the main problem of sociology is the unification of meaning and explanation. Because all disciplines of ideographic (history) or nomotetic (sociology) are meaningful sciences because they act on the relationship between value and action. On the other hand, sociology has to be explanatory because of its generalist character. Weber defines sociological explanatory understanding, which should include causal understanding:

Explanatory understanding. ... understand in terms of motive the meaning anactor attaches to the proposition twice two equals four, when he states it or writes it down, in that we understand what makes him do this at precisely this moment and in these circumstances. Understanding in this sense is attained if we know that he is engaged in balancing a ledger or in making a scientific demonstration, or is engaged in some other task of which this particular act would be an appropriate part. This is rational understanding of motivation, which consists in placing the act in an intelligible and more inclusive context of meaning..(Weber, 1995: 19)

Weber, as a philosopher is uneasy about the prevailing rationality of means-end since enlightenment instead of value based rationality. " This approach is most clearly represented by the assertion that rationalization processes in Weber's corpus amount to nothing more than a "disenchantment of the world," bureaucratization, or an increasing lack of freedom"¹ The principles that guide people's actions are no longer moral or religious. In this new age, the principles that determine human action are rational principles and values that will ensure unity according to mutual interests. In this society, actions necessarily must be rationalized with rational motifs

Weber's criticism of rationalization of European society is not a critique of rationalism as a philosophy movement. This critique is the critique of the existence of modern European society. Weber criticizes the rationality beyond the epistemological philosophical trend, the way of life that shapes the whole modern European society. The only purpose of this rational lifestyle is to dominate reality and to achieve this, it wants to keep it at hand under a design of formality and continuity.

Rational science sees order in the universe and, in factual reality, seeks the laws of this order by empirical methods. The law allows us to grasp the order of the cosmos. Rational science seeks to understand a chaotic flow by bringing together the non-rational in rational forms. Weber's objection is, as in Rickert, that the irrational reality is grasped in a rational form. Although being away from values brings a coldness to science, it also has a positive meaning. phenomena do not have a purpose or meaning in themselves.

Given that societies cannot survive without a system of values, scientific activity is a positive effort. Because scientific activity aims to comprehend the world as it is far from values. Any rational ideology, a religion, is rational in its logical establishment, and the world can be grasped under this form. But since the view of such a system of values is a view in which factual reality is explained by non-factual divine powers, it becomes an ideology that shapes the world of reality in line with the subjective aspirations and purposes of people.

Nowadays, there is talk about the of pure science exempt from prejudices. Is that possible? The answer will vary according to understanding. All scientific studies assume that the rules of logic and method are valid... another assumption of science is that the results of scientific work are important, that is, worth knowing". (Weber, 2005: 220)

In this sense, scientific activity is the best way to interpret the world; but it is not the only form; ideology and religion do the same under other forms. Science is a product of the historical / social period to which it belongs and carries mark of that period on itself. Positivism does not see that scientific activity explores the society to which it belongs as part of culture. This dual character of science shows that it is dependent on people and society and is determined by this belongingness.

The researcher constructs reality in the direction of his own mind, not only by his orientation and selectivity in line with his interests, but by the separation phenomena which can confirm and support his own theory from the mass of infinite phenomena. In this sense, reality can never fully coincide with knowledge. Scientific activity itself examines reality, which consists of a pile of formless phenomena, by giving it a context under one form. Remembering how Kant's understanding dictates itself to the natural world will allow us to better understand Weber's definition of scientific activity.

On the other hand, in a Kantian sense, there is no other way to learn from infinite phenomena. Although it carries the possibility of error, we can only conceive the universe within these frames. In this sense, the definition of objectivity of positivism also needs to be changed; because there can be no objectivity in the sense that the information and the object overlap. Knowledge must always be subjective. For Weber, objectivity can only emerge on an intersubjective basis. Since the same set of facts may be subject to different explanations, the "objectivity of knowledge can be mentioned only under the scope of the intersubjective control of these different explanations.

Science, which is defined as the conception of factual material under logical forms established in an intersubjective activity, can never reach objective information because human perception is limited in time and space. The objectivity of scientific knowledge is doomed to remain an ideal.

Weber who deals with Social/historical reality on the basis of individuality, subject of social sciences is explanatory understanding of individual's rational activity. Weber's method is ontologically individualistic and differs from Marxist sociology, which tries to explain social phenomena in their entirety. Weber, who sees the individual as the main unit of analysis, does not accept collective definitions similar to the concept of class in Marxism as the founding concept of analysis. Gordon explains Weber's methodological individualism of sociology:

Scientific method, according to Weber, requires reduction of phenomena to their components, but the reduction must be carried to the appropriate level and not further. In the study of social phenomena, reduction to the level of individual consciousness is required; nomological propositions in sociology must be formulated in terms of the rational and purposive actions of individual persons. Weber was one of the most insistent advocates of the doctrine of "methodological individualism" in the history of social science (Gordon, 1991: 469)

2.1 Understanding and Description

So, we now described subject of social sciences as meaningful social activity of the individual according to Weber. Now we can turn to its methodology. Weber's "verstehen" means explanatory understanding This means that in the mind of the individual performing the activity, the reasons leading to it are known. Naturally, we need to know the historical period and place in

which an individual lives in order to comprehend the values and mental structures that direct him to this end.

Understanding, like any scientific observation, aims to achieve clarity and verifiable accuracy. Understanding can clarify itself in two ways: first rationally, through logic and mathematics, second through empathy. Acquiring a complete mental clarity in line with the intended purpose of the event is rational understanding. In understanding through empathy, through sensory participation, we understand that event by thinking that we also experience it. We understand what a person wants to do when he / she tries to reach certain goals based on the facts of experience that we know. This kind of rational activity is interpreted by sensing in this way has high degree of proof.

For real understanding empathy is also essential besides mental comprehension. Even if goals and values, which are the cause of human activities, can be comprehended mentally, when there is a difference between the values of the observer, it becomes difficult for the observer to experience and understand it. An act of dedication to religion can be given as an example of what we say if the observer does not experience this feeling. When faced with such situations, the only thing that needs to be done is to understand the values of each special case mentally and evaluate them as data.

The more open the researcher is to emotions such as anger, passion, jealousy, revenge, the more he can participate in the activity guided by them and explain such behaviours. Even when the reactions to these emotions reach unimaginable dimensions, they can comprehend the meaning they express through emotion and mentally evaluate the flow and choices of that action. Verstehen refers to understanding the **meaning** of action from the actor's point of view.

It is only within these boundaries and because of this methodological convenience that we say that '*social science*' (*verstehenden*) 'understanding' is 'rationalist' - it is merely a methodological tool. Otherwise, it does not include a belief that rational elements prevail in real human life; because he makes no propositions about the share of rationality. (Weber, 1995: 16)

In observational understanding, we look what a person does by observing his actions. For example, when I see a group of people waiting on the side of the road, I observe what they are doing, whether they are talking to each other or waiting silently, and I pass on this information. In explanatory understanding, the reason they stop there becomes important. This could be a bus stop, and if the bus is going to a business centre, they could be people going to work. When I know the current city and the times of the incident, the power of the explanation that I can make increases. Here, I can say actors I want to explain acting with instrumental mind and they climb steps of a ladder to reach the goal and respectively.

2.2 Objectivity and Values

The problem of this is that the view of the past is determined by today's value judgments and values network, and the problem of objectivity in the cultural sciences comes up again in this aspect. Weber refers to this problem, which is called by its own name, in the context of a particular value judgment, in the direction of the subjective meanings that individuals place on these values. For example, when dealing with the question of *equality*, the historian should concentrate on the meanings given to it during the period he examines and enclose his views in brackets. Whether this is always possible is also controversial. For example, in a situation where a European historian turns to European history, this problem arises with all its nakedness. Therefore Weber He said that there can be no objective science of the whole past and the whole society.

Weber believes in the objectivity of science. His famous conference 'Science as a Profession' advocates a science independent of values. According to

him, modernism divided rationality into three parts: scientific, moral-legal and aesthetic. According to him, science can only be a technical area of expertise, it cannot reject the disenchantment of the modern age. Science is not about the ability to explain which warring gods we should serve.

The fate of our times is characterized by rationalization and intellectualization and, above all, by the 'disenchantment of the world.' Precisely the ultimate and most sublime values have retreated from public life either into the transcendental realm of mystic life or into the brotherliness of direct and personal human relations.(Weber, 2005: 34)

We can also read this quote as a message of Weber to scientist that he does not try to derive meaning from science. The discourse of science is a “disenchanted discourse. At this point, it would be meaningful to make a comparison between Dilthey and Weber. Dilthey argues that human beings should be equipped with emotions, excitement and intuition because they deal with the reality of history / society / culture which is the product of man, Hermeneutic sciences. Weber, on the other hand, acknowledges the importance of understanding and interpreting in the understanding of historical / social phenomena, but says that this should be solved on the basis of rationality.

The task of science is not to defend values against objects, but to reach knowledge of these objects. In order to distinguish the values from the facts, it is possible to give a rational content and method to the act of knowing. Therefore, the sciences dealing with history / society should be free from value judgments. However, as Weber admits, no form of questioning, no scientific method is immune to value judgments, and therefore the goal of keeping science away from values remains an ideal that can never be realized. “All theologies represent the intellectual rationalization of the accumulation of sacred values. No science is absolutely free of value judgments and no science can prove its fundamental value to the person who rejects it”(Weber, 2005: 233).

When it comes to social structures, unlike natural sciences, we have the chance to add something extra to the analysis in order to observe regularities. Although we do not understand the behaviour of cells while examining the living organism and we can only determine the laws in their development by looking at their functioning, we can understand the behaviour of individual involved in social processes. What constitutes the characteristic of sociological knowledge is that it is essentially this subjective meaning. However, in methodological terms, this priority of the individual should not mean individualism. Just as the concepts of sociology do not necessarily mean that rationality is rational.

Conclusion

Theoretical structure of the social sciences was shaped within the conceptual framework of modern science, with an one-way interpretation of a certain philosophical tradition. Empiricist-Rationalist philosophy is at the basis of Classical Economics. important point for our study is the dominant character of positivist philosophy tradition.

We showed this in our study by examining the relationship between philosophy and science in the common history of both disciplines. In its spontaneous development, the scientific revolution could not have its true meaning unless. The connection of the Empirist-Rationalist philosophy tradition, which forms the basis of positivism, in Classical Economics can be clearly seen from the basic theories of this school.

Our study of classical economics also gained the appearance of a critique of positivism. Classical Economics, which emerged as the first independent social science discipline, considers itself as a discipline independent of ethical values, seeking objective information; The purpose of science is to find out the social laws related to the functioning of the market and to examine them with scientific methods. In our study, we have argued that this claim is invalid by demonstrating the complex relationship between man and the market as part of the social structure. The claim that

economics as a social science discipline is independent of ethical values has been wrong from the moment it was put forward and the same holds true for other social science disciplines.

The assumption of human nature, which seeks to achieve maximum benefit, essentially assumes the acceptance of human psychology of a particular age as the immutable nature of man. Apart from the metaphysical essence of this method, economics takes a normative attitude by advising a person supposed to be rational to maximize its benefits.

The abstract human definition of economics comprehends man for the functioning of scientific models and does not care about himself.

The study of Classical Economics showed that economics also causes epistemological and methodological problems as it is a cognitive activity. These problems are caused by imitation of natural sciences and caused by concepts such as causality, objectivity, claim of absolute knowledge and social law. These evaluations of economics that emerged in the 19th century are still expressed for contemporary social science disciplines and show the origins of these problems in this sense.

The philosophical beginning of Weberian tradition is undoubtedly Kant's philosophy. Kant puts the free will of man on the basis of history and society

The philosophical beginning of this tradition is undoubtedly Kant's philosophy. Kant, philosophically underpinned the difference and originality of society from nature by placing the free will of man on the basis of history and society. His distinction between spirituality and reality later became the starting point of all German Idealism. This distinction can be regarded as the first manifestation of the distinction between the natural sciences and the natural sciences, which we clearly see in Dilthey.

Weberian approach, which proposes a definite distinction between social and natural sciences, claiming that facts should be separated from values, approaches positivism with the claim that science can be independent of values. Likewise, understanding society as a set of meanings created by man requires the acceptance of a certain human nature, as in positivism.

These philosophies, which differ from the enlightenment philosophy as well as the problems arising from the difference of society from nature and the transfer of natural sciences to society, have different approaches from each other. From this point of view, the notion that nature is not a complete stasis, but an active being, which acts in a continuous manner and carries the capacity to create society, is immediately visible. In our thesis, we have argued that current debates are alien to philosophy and foreign to current problems of social sciences. Enlightenment philosophies can play a constructive role, methodically and normatively, beyond understanding these problems with their actual contents. In addition, the search for the normative basis of social sciences with philosophy is important for the current problems of these disciplines which today consider this idea as unscientific. Thus, social sciences can begin to treat society not as abstract human definitions and digitizations, but as an integrity of living and sensing people.

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