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## THE BIRTH OF SPIRITUAL ECONOMICS

Man essentially is a being who pursues meaning and love. Socrates' speech in the Symposium well characterizes man as driven by Eros, or Love. Socrates, expounding Diotema's Ladder of Love, explains that man is driven by the erotic impulse. Nowhere in her teachings does Diotema mention the concept of self-interest or maximizing profit as the essential nature of man. Despite this, the concept of man as the rational economic man dominates the human stage of thought. Why and how has this concept of man taken precedence over the Platonic description? What has made for the triumph of Homo oeconomicus?

### 1. FROM CONSUMER TO PRODUCER

There is no question that man's most dominant appetite is hunger and that in that sense one could characterize man as the rational eating man. But this would be recognized as an immature definition since satisfying hunger pangs is not sufficient to define the entire nature of man. And the reason for this is that first of all man has other desires and that the desires for erotic satisfaction and meaning satisfaction better characterize the behavior of man once his appetite for food has been satisfied. Indeed, one's pleasure in eating is increased when one can share one's dinner with another and so satisfying simple hunger by eating is an insufficient characterization of the satisfaction of the appetite of hunger.

Of course, there are those who point to man as driven by a need for power and fame. But power and fame are but means to an end, not so much the end of happiness of which Aristotle spoke in his *Nicomachean Ethics*, but the end that life will have been considered worthwhile or meaningful in the end. In the end, the need for meaning and value are the most powerful drives that motivate mankind. One satisfies the need for meaning and value in two essential ways. Both of these ways of satisfying the need for meaning and value are the result of following the impulse of love. One way is through seeking and accepting the love that one can be given by others and the other is by giving the love one feels to others. But these two ways are but two sides of the same coin. The way of receiving is the way of receiving the emotional support of others for one's own being and the approval of others for producing goods and services that serve others' authentic needs. The way of giving is through providing emotional support to others for their being and the production of beneficial goods and services for oneself and for others for one's own and for others' welfare. This production of beneficial goods and services can be for the sake of obtaining love and also can serve as an end in itself as in the products of art. This is no different from the characterization of man by Diotema

except that the ultimate goal which drives man's activities is not so much the experience of beauty as it is for Diotema, as it is in the production of beauty. Ultimately, Eros or love is the most accurate description of man's nature as her or his nature is only satisfied in acts of love whether in receiving love from oneself or others as receiving love is also an act of love, or in giving love to oneself or others in the form of producing beneficial goods and services for oneself or others. The practice of accepting love in terms of accepting the emotional support of oneself or others validates the giving of oneself or others. The practice of providing emotional support to oneself and others validates the being of others and also provides motivation to the others. To shorten our purposes, one may structure the dialogue to concentrate on the acceptance and the provision of beneficial goods and services to others.

One could argue that when one satisfies Eros that man finds happiness and that therefore happiness is the ultimate goal of man. But not only is happiness is too abstract a description to characterize the nature of humanity; to argue that happiness is the ultimate goal is to confuse the effect of following the proper goals of man with its cause, which is the following of the proper goals of man. The cause of happiness is the expression of the nature of man in the receiving and giving of beneficial goods and services to oneself and to others. Happiness is the effect or the natural result of receiving and giving through the production of beneficial goods and services. It is the production of beneficial goods and services that satisfies the need for Eros. Happiness does not satisfy the need for Eros. If one characterizes the nature of humanity as driven by Eros to ultimately produce beneficial goods and services for other human beings, one possesses a more specific description of the nature of man. It could be said that the production of goods and services are only a means to obtain happiness but the happiness that is so obtained offers an imprecise and non-comprehensive description of the nature of man. In addition, to say that happiness is the end goal of man is not to say how that happiness is to be obtained. It is more accurate and more fully descriptive of man's nature to say that while happiness is the natural result of the activity of producing beneficial goods and services that the goal of man's endeavor is the production of the beneficial goods and services and not the good feeling that is thereby gained from the production. To say that happiness is the end-goal of man is to mistake a natural result of an activity for the activity that satisfies the essential nature of man. To say that happiness is the end-goal of man is to mistake the effect of carrying out the activity for the cause or the motivation for the activity, which is to satisfy the essential nature of man. Such a good feeling might some day be capable of being produced by electrical or chemical means and cannot therefore characterize the essential nature of man. The production of goods and services is ultimately the way in which man satisfies her or his higher desire for meaning in life and thus demonstrates that man is primarily not an economic animal but a philosophical animal. One could say that one satisfies one's essential nature through the performance of ethical acts and it would not be false to say this. However, this too, is too vague a description. To say that one satisfies one's essential nature through the production of beneficial (or ethical) goods and services both includes the performance of ethical acts and specifies some means through which one can perform ethical acts that satisfies not only the nature of man to give but also the nature of man to receive. One means of expression of receiving love in the act of producing beneficial goods and

services is the act of receiving a financial reward. Another means of the expression of receiving love in the act of producing beneficial goods and services is the satisfaction taken in seeing that one's production of beneficial goods and services has advantaged a disadvantaged population.

The activity of producing beneficial goods and services takes precedence over the consumption of goods and services because if one focuses on the consumption of goods and services one thereby focuses on the appetite of hunger rather than the appetite of love. The appetite, or better expressed, the desire for love is a more basic motivation than the appetite for hunger since man will pursue love once her or his needs for food are satisfied and will not rest content with the satisfaction of the appetite of hunger. But once the needs of love are most completely satisfied through the production of beneficial goods and services, man will not pursue another goal. It could be said that man may attempt to satisfy other higher desires such as the need for family, social, religious, intellectual or aesthetic satisfaction. To say this would of course be true. However, one must focus on how one satisfies these other higher desires or needs. Ultimately, these higher desires are more completely satisfied when one is involved in the activity of producing them than in consuming them. To be a lover is to experience love on a higher level and to love on a higher level than to be a beloved. This is Diotema's message but for somewhat different reasons. One is satisfied on a higher level when performing a charitable action than in being the recipient of one. This properly coincides with the fact that doing a charitable deed is a nobler act than receiving its benefits. One is more satisfied in the carrying out of a religious injunction than one is in listening to a sermon, which enjoins one to conduct oneself in a noble way.

In the case of certain exceptional experiences such as extraordinary aesthetic experiences, the difference between giving and receiving or producing and consuming becomes narrower. This is in light of the fact that in higher order aesthetic experiences, the recipient experiences the same inner state of the artist when the artist produced the artistic work and thus is virtually on the same level as the artist when the artist was involved in the act of production. It could be argued that such elevated pleasure is nonetheless a species of consumption rather than production. However, such consumption does not reduce the good that is consumed but makes it more available to be shared with others and in this respect has more in common with production rather than consumption simpliciter. The listener of Mozart's Requiem may become so enraptured that she or he encourages others to listen with her or him. Her or his pleasure grows when she or he is in the chorus or orchestra and is involved as an active producer of the music. In fact, it should be noted that these exceptional aesthetic experiences gain by being shared so that one achieves a higher satisfaction when attending a musical performance with others than when one listens to music by oneself. How and why aesthetic pleasure is produced is a separate question that requires a separate treatment. Suffice it to say for the present that the more comprehensive the harmony and thereby the disharmony that is resolved, the greater the pleasure. Shakespeare's Hamlet is great and produces great pleasure because it "resolves" the greatest of disharmonies, the disharmony of injustice and is inclusive of all points of view including the most murderous, the most bawdy and the most elevated. This is true even of ostensibly disharmonious works such as Picasso' cubist paintings since their level of organized disharmony is harmonious

while at the same time “resolving” or giving objective form to and thereby validating the social disequilibrium felt by the artist. The artist can transcend external chaos by giving it artistic expression and thereby transforming chaos into order. The aesthetic criterion of harmony can be applied to the good in that the world is in harmony when all of its parts, man and nature are productive and flourishing.

It could be said that the description of man as the producer is a recognition that creativity is the fundamental activity of mankind and the fundamental aspect of the phenomenon of Eros. Ultimately human beings wish not only to produce beneficial goods and services but also to create goods and services, which implies that the ultimate wish of humanity is to create new beneficial goods and services rather than to simply reproduce existent beneficial goods and services. Thus, the most accurate description of the human being is that man is essentially the innovative animal or the entrepreneur. If, however, one simply states that man is the entrepreneurial animal, one may miss out of the ultimate purpose of entrepreneurship which is the production of beneficial goods and services for human beings and especially disadvantaged human beings, not simply the creation of new businesses as an end in itself.

However, if it is argued that the production of beneficial goods and services or the innovation of beneficial goods and services best describes the nature of humanity, it could be argued that all such activity is for the sake of obtaining meaning and value in life so that the urge or the need for meaning and value is the ultimate motivating force in life. While this is not incorrect, it is too limited a description as it does not reveal how one is to obtain this meaning and value. Thus, the description of man as a philosophical animal, while a correct description, and a description, which leads one in the right direction, is also incomplete. It also runs the danger of identifying one’s life activities with purely intellectual activities, which are congruent with isolated intellectual contemplation. If such contemplation takes place apart from the production of beneficial goods and services, such as the writing of books or teaching, it cannot satisfy the nature of man.

In the end, the best description of the nature of man is that man is ultimately driven by Eros to be a creator and producer of goods and services that serve the whole of mankind by providing a better and more beautiful way of life. While ‘better’ could be specified more fully in terms of being more labor saving, more ethical, more supportive of continuing a quality life on the planet and so on, such a specification is to be understood, otherwise one’s definition will become too bulky. The element of beauty must be included since the production of purely utilitarian goods and services does not satisfy the nature of man. With this new definition of man, since the outcome of the production of goods and services is to create a better way of life, the need to continue to describe such goods and services as ‘beneficial’ is not necessary as it is already understood in such a definition. Both the terms ‘creator’ and ‘producer’ are to be used because ‘creator’ calls attention to the need to produce new products and services while ‘producer’ must be retained since some of the nature of man will be satisfied in the production of goods and services to others. Such an essential definition of man may be taken to be the most accurate specification of the operation of Eros in the life of man. It is to be understood that the life of creating goods and services for the welfare of others, especially deprived and deserving others, is the only way in which

a sense of lasting meaningfulness can be gained in life. Thus, the ultimate purpose of following the urges of Eros is the obtaining of lasting meaning and value. However, as is said above, the description of man as the philosophical animal will be too abstract. Thus, while it is to be understood that man is driven by Eros to find ultimate meaning and ultimate value, such a description is too vague to be useful. The most accurate description of the nature of man which explains how man is driven by Eros and how man obtains meaning is given by the definition offered above.

## 2. THE ORIGIN OF THE CONCEPT OF THE RATIONAL ECONOMIC MAN

If all of the above is the case, how is it that the concept of man as the *Rational Economic Man* has come to be accepted as a correct description of the essential nature of man? The concept of man as the Rational Economic man is a characterization of man that comes closest to describing man in terms of hunger rather than in terms of love. The model of the Rational Economic Man is a model that is based on fear rather than a model that is based on Eros. It is a model that recognizes that man is driven by hunger in that the appetite for money is essentially an appetite for the means to provide for a more secure and comfortable survival and is essentially a motivation based on fear, a fear of not having enough to ensure a secure and comfortable survival. The adding on to the concept of the pursuit of money the concept of a maximization of profit, that is, the pursuit of as much money as possible, is an indication of a greater degree of fear. One never knows how much money will be necessary to ensure one's secure and comfortable survival. Of course, it can be said that some large amount is surely enough and such an explanation of the maximization of profit in terms of satisfying the needs of hunger is therefore not completely accurate. In order to fully explain the description of the maximization of profit one needs not only to appeal to hunger as an ultimate motivator but to greed as well. Greed, however, when properly analyzed reveals itself to be a mixture of hunger and fear. This still does not seem to be enough because such a definition that includes hunger and fear still does not seem to account for the behavior of such multi-billionaires that continue their quest to make more and more money. While it could be said that greed has no limits and thus approach an explanation of this phenomenon in this fashion, it could also be explained in terms of a lack of having pursued the correct goals in the first place. If the multi-billionaire pursues the making of more and more wealth as a means of obtaining meaning in life, then this would explain the continuing of such behavior as the need for obtaining meaning cannot be satisfied by such behavior and thus would explain why such behavior does not come to an end. If the multi-billionaire were to understand the real motivation behind his or her behavior, he or she would put an end to the endless acquisition of wealth and would pursue meaning in some other forms. This is occasionally noted when the multi-billionaire becomes a philanthropist. Such behavior is inexplicable from the standpoint of the description of the nature of man as the rational economic animal.

How does what has been said above apply to macroeconomics? With respect to the situation of the world today it may well be said that the two major understandings of economics that have been attempted on a large scale have both resulted in failures.

The first of these systems is that of capitalism; the second of these systems is that of the planned economy or the welfare state. Capitalism, usually described as market economics, which is but one aspect of capitalism, is based on the model of profit maximization, which has proved itself to be a failure in two major ways. First of all, and most primarily, capitalism on a world scale has not ameliorated the way of life for a huge portion of the world's population, which lives in woeful economic conditions. Secondly, capitalism seems inevitably to result in the business cycle. When the mass of economic agents in the developed countries buy or sell products purely for the sake of making profit without regard to whether such activity produces sound economic conditions, inflation and ultimately a bubble economy is produced. Such a bubble must eventually burst and thus a cycle of depression ensues. The most unfortunate aspect of the business cycle, which is the inevitable result of market economics is that when a market no longer exists for the goods and services that can be produced, then an artificial market must be created for goods and services. Due perhaps to a combination of the lack of demand and a limitation of imagination, the market that is normally created is the market for military goods and services. In order to create a market for military goods and services, the condition of the world must be changed from the condition of peace to the condition of war.

Both of these problems, the inability to care for the underdeveloped world and the inevitable consequence of the business cycle and its unfortunate corollary of war, are the result of following the model of man as the rational economic animal in which profit is pursued with regard to maximization without regard to whether the goods and services produced are really productive of social value. Capitalism, or market economics can thus be said to be a failed system.

The opposite of capitalism or market economics is a planned economy with a welfare state. This system has also proved to be a failure. When practiced on a national scale, an economy cannot be solely planned to achieve social benefits for that nation or the underdeveloped world, because it must participate in the world economy, which is a market economy. Thus, there has never been a trial of a world planned economy or a world welfare state. As a result, planned economies such as state socialisms or state capitalisms suffer from the same defects as market economies (the lack of care of undeveloped nations and the business cycle). These defects, however, are not due to the defectiveness of planned economies; they are due to the fact that the world is based on a market economy.

Apart from these defects, however, planned economies and their welfare states have proved to be failures within their national boundaries. It appears as if the planned economies with mixed socialist and capitalist systems result in economies that are inefficient. Unemployment and budget deficits seem to be the ultimate result of the attempt to put planned economies into operation. In the end, even in more heavily weighted capitalist states, the aspects of the states that are planned, e.g., pension systems, eventually are at risk because they become economically unfeasible to support.

The planned economy suffers from the same defect as the unplanned or market economy in that it is also based on the concept that man is a rational economic animal. The only difference is that there is an attempt in the planned economy to decide what goods and services man should produce and more of an attempt to take care of man

when man is no longer capable of producing goods and services. But the model of man as a consumer has not fundamentally changed.

It is not completely fair to be as critical of the planned economy as one is of the unplanned economy since the world's economy is not a planned economy in the proper sense. While, with this proviso in mind, it nonetheless could be said that the internal failure of planned economies and welfare states is at least partially due to the view of man that does not take into sufficient account the role of profit in the motivation for behavior, it also can be said that the failure of planned economies and welfare states is the lack of an ethical or spiritual component in the expectation of economic behavior. For, if an ethical or spiritual component is included, as in the production of goods and services that enhance the value of all of mankind, then a motivation has been included for the production of goods and services that does not depend solely upon a profit reward. But if the profit motive is simply removed without being replaced with a different incentive, then some may argue that economic behavior has not been supplied with a sufficient motivation.

The solution to the problem of what kind of macro-economic system to employ cannot be fully realized until the institution of the nation-state has been replaced by a world system. Until such a time, it is appropriate to attempt to function with the market economy system in terms of interacting with a global market, but to work towards the elimination of artificial markets and to work towards the production of goods and services that fulfill genuine human and constructive human needs or create new genuine and constructive needs to be fulfilled. On the level of a nation-state or a union of nation-states into larger units, the construction of semi-planned economies or partial welfare states must also be contemplated. The failure of such mixed systems in the past is at least in part due to the lack of supply of a sufficiently motivating model of contrasting human behavior to replace the "rational" economic model of human behavior.

### 3. MAN AS THE GUARDIAN OF THE PLANET

Ultimately, the model of man as the producer of goods and services that benefit all of mankind will be the only model that will be conducive to world survival. One must utilize this model to underlie existing systems and build new systems that rely upon this model for their motivational support. Rather than the image of man as the Ultimate Consumer or the Maximizer of Profit, the planet can only survive with the model of man as the *Guardian* or *Trustee of the Planet*. This model does not rule out the pursuit of profit for the individual for the individual is part of the planet of which she or he is the trustee. Thus, all behavior need not be altruistic. On the other hand, all behavior need not be based on the market conditions of supply and demand. One can work towards producing genuinely needed and productive goods and services and consuming genuinely needed and productive goods and services.

This is only the most rudimentary inkling of what a new economics can be like. It would require to be filled in with enormous detail such as a limit on the absolute ceiling of wealth acquisition by an individual or a corporation (thus incorporating a feature of a planned economy) and worldwide systems for taking care of the needs of

the elderly and the infirm to mention only a few, salient details. However, such details are plainly derivative from the basic principles of a system and once the basis of a system has been fully understood and appreciated, it will be natural to consider what specific measures need to be implemented.

In the meantime, the task that must occupy the present is how to more fully develop the idea that a new definition of economics can be elaborated. In other words, how can one take the definition of man as has been elaborated above and apply it to a strict definition of economics. The concept of man as a rational economic man is incomplete as has been demonstrated above. However, the above definition of man as being driven by Eros to be a creator and producer of goods and services that serve mankind by providing a better and more beautiful way of life is too philosophical to be completely useful to the economist and in any case is not specific enough to be a definition of economic behavior. In what follows below an attempt will be made to specify a definition of economics, which is based on this definition of man.

The rational economic man, the human, who, as soon as she or he divines what is in her or his self-interest acts to maximize that interest, is a model of the human being that demands to be superseded. While it may describe some or even the majority of human beings, the question is, is it an accurate description of the deepest nature of human beings? The answer to this question as given above, is no. If it is objected that such a model of man is nearly all pervasive and how can it possibly be nearly all pervasive unless it is accurate, the answer can only be that human beings, by and large, have become victims, so to speak, of Adam Smith's concept that all human beings are selfish creatures. Once nearly everyone on earth thought that the earth was flat. It certainly appeared to be flat. However, that everyone thought that the earth was flat and that it looked flat did not make it flat. There is such a thing as a self-fulfilling prophecy. We need to move on from Adam Smith. And a new view of man will in turn prompt new behavior.

Is endless consumption to be equated with rationality? Why is it rational to pursue the goal of endless consumption? One does not thereby obtain personal happiness and one does not thereby improve the lot of the plant and its inhabitants. On what basis, then, is this a definition of rational economic behavior? Is it rational to pursue a goal, which is compatible with, if not a cause of internal dissatisfaction and the widening of the gap between the haves and the have-nots? Is it rational to pursue a goal that is compatible with if not the contributing cause of the general deterioration of the life systems of the planet and the general aesthetic environment? Is it rational to pursue a goal that is compatible with if not the contributing cause of selfish behavior? It is clear that by defining the rational economic man as the man who pursues the maximizing of profit that one is identifying rationality with selfishness. Is it rational to be selfish? If it is rational to be selfish, then this also entails that one believes that the nature of mankind is to be selfish and thereby greedy. If the nature of man is selfish and greedy, then it follows that it may be rational to attempt to satisfy that nature of selfishness and greed with the maximization of profit. But it is important to recognize that the equation of rational economic behavior with the maximization of profit is based on a view of man that man is inherently selfish and greedy. It not only is based on such a view of man; the belief in and the acting out of this concept tends to produce such a human being.

The paradigm of the “rational” economic man is one, which suggests that the fundamental human motivation is self-aggrandizement, or to translate this into business terms, the maximization of profit. If one considers that profit is the accumulation of money, then it becomes evident that the pursuit of monetary accumulation is ultimately an activity of consumption because when one accumulates, one is storing for consumption whether real or symbolic. But this means that human beings are ultimately defined as consumers. However, this cannot be the case. Consumption is a means, not an end. One consumes in order to survive, but survival is not an end in itself. One survives in order to do something, to accomplish something, to make the world a better place when one leaves it than one found it when one entered it, not in order to continue the activity of consumption.

#### 4. THE PRIMACY OF PRODUCTION OVER CONSUMPTION

All human beings want to leave their mark on the world; they want to make the world a better place to be than when they entered the world. All human beings want to change the world, to make it a better place. But to change the world, to make it a better place is to produce something, not to consume something. All human beings are essentially producers, not consumers. Of course, there is the example of the Garden of Eden where fruit can be eaten from the trees. But in general, one needs to perform some labor to produce some product such as a fishing hook and fishing line to catch fish before one can consume. From the standpoint of economics, production is the primary activity; consumption can only take place after production has occurred. One must produce first in order to have something to consume. Production is the fundamental economic activity. Production is also the fundamental philosophical activity. If one sorts activities in terms of their value for the general meaning of life it becomes apparent that the depiction of the human being as essentially a consumer is to mistake the means for the end. A penultimate end of the human being is survival. Survival takes precedence over consumption as an end-goal of life since from the standpoint of biology; one consumes in order to survive. One does not survive in order to consume. Such a truth finds its expression in the popular saying, one eats in order to live; one does not live in order to eat. If one lived in order to eat, one would be mistaking the means of life for its end. From a philosophical standpoint, that is, from a standpoint, which inquired into the meaning of actions, such an inversion of reality would be pointless and futile. Hence, maximizing consumption cannot be a defining formula of human motivation. One would only need as much consumption as was required to live; there would be no point to maximize consumption indefinitely. Furthermore, it was said earlier that survival was a penultimate goal of existence; survival itself cannot be a sufficient motivation for living. For survival only entails that life, with all of its pain and suffering, both physical and mental, be preserved. But for what end? To what purpose? With all the suffering and injustice that human beings must undergo it cannot be that the ultimate purpose of life is to simply continue on to experience and witness birth, sickness, loneliness, meaninglessness, failure, humiliation, betrayal, loss, rejection, aging, infirmity and ultimately, solitary death. A life the end goal of which was simply survival would be totally unconscious, masochistic or absurd. Human beings are meaning craving animals.

One's life can be rendered meaningful only if it can serve in some way to ameliorate the suffering that is humankind's lot. Production of means through which the alleviation of the suffering of life can be furthered is the only sufficient motivation that can sustain one throughout one's mortal career. If the human being is made *imago Dei*, and G-d is ultimately the Creator, then the way in which human beings imitate G-d is through creative, productive activity and not through the activity of consumption.

It can be shown that even in the most conventional formulas of economics that underneath the categorization of the human being as a consumer one can discover that the underlying economic activity of the human being is production and essentially a production of economic values, that is social goods and services. The satisfaction or happiness or fulfillment of the human being lies in the production of satisfying goods and services that contribute to the greater welfare of human beings as a whole. That human beings receive profit for their production of these goods and services is an additional satisfaction, but it does not and cannot be the underlying reason for economic activity for such a description would result in a human life the whole purpose of which was to survive which as is stated above is either futile and/or absurd.

In order to show that ultimately human beings are producers and producers of social value, one may examine some standard definitions of economics that appear in arguably the most famous and influential textbook of economics in the United States. For the purposes of this examination, one may make reference to the work of *Paul A. Samuelson*, the economist who revolutionized economics at MIT and together with *Robert Solow*, turned MIT into the institution that best embodied mainstream economic thought for some three decades. The gifted Samuelson, though firmly in the Keynesian camp was able to unite a century's worth of economic insights into a single, coherent theory—he neo-classical synthesis—that dominated economic discourse from the 1950s through the 1980s. His textbook provided the basic education in economics of the present author among many others. Samuelson offers six definitions of economics all of which are considered by him to be representative and thus presumably satisfactory. The first definition of economics that is given by Samuelson is the following. 'Economics is the study of those activities that involve production and exchange among people.'<sup>1</sup>

The first definition possesses the comparative advantage of listing production as one of the primary economic activities rather than consumption. Exchange is listed as the other primary economic activity as well it should since it reflects the fact that any individual person is finite and needs to exchange what she or he produces in order to gain a more complete set of goods and services. The first definition possesses the further comparative advantage of referring to people as the obvious agents of economic transactions without whom economic transactions would make no sense, as there would be no one to produce goods or services and no one to exchange them and no one to receive them. It all but comes out and states that economics cannot be defined without a reference to social values or needs. However, without an explicit reference to the fulfillment of social needs or the creation of social value, it is incomplete as a definition of economics since it does not refer to the motivation or end-purpose of economic endeavors. By referring to production and exchange a glimmer of the mechanisms of economic activity is offered. It lacks a reference to a motivation for the production

and the exchange of goods and services and that motivation is to enhance the quality of life for both the individual producer and the other.

The second definition offered is: 'Economics analyzes movements in the overall economy—trends in prices, output, and unemployment. Once such phenomena are understood, economics helps develop the policies by which governments can affect the overall economy.'<sup>2</sup> This definition loses some of the advantages of the first definition by making the reference to the producers of goods and services and the recipients of economic transactions nearly non-existent. However, its reference to unemployment is unwittingly people oriented. Everyone psychologically fears unemployment and the use of this word in a sentence makes it strikingly apparent that it is people who would be unemployed. It also possesses the unique advantage of referring to the behavior of governments since government monetary policy, for example, obviously effects human economic behavior. However, how and why movements in economy take place remains shrouded in mystery and hence this definition is perhaps even less adequate than the first definition which at least makes reference to production and exchange.

The third definition offered is: 'Economics is the science of choice. It studies how people choose to use scarce or limited productive resources (land, labor, equipment, technical knowledge) to produce various commodities (such as wheat, beef, overcoats, concerts, roads, missiles) and distribute these goods to various members of society for their consumption.'<sup>3</sup> This definition is without doubt the best so far. Like the first definition, an explicit reference is made to people as both the producers and the distributors of economic actions. The mentioning of specific commodities such as overcoats makes it very obvious that economics is involved in providing value for people and by extension possesses social value and for the same reason is involved in fulfilling social needs without which it would serve no purpose whatsoever and in fact would not possess any reason for being in the first place. By making explicit reference to the example of concerts this definition of economics makes it very clear that economics cannot be defined without reference to higher values, that is, values that are not simply survival values. It only lacks an explicit reference to the function of economics as a provider of social needs and a creator of social value to be more complete on the ethical side of economic activity and an explicit reference to the basic forms of economic activity such as capital investment, labor, rent and trade to be more complete on the business side of economic activity.

The fourth definition of economics that is given is the following: 'Economics is the study of how human beings go about the business of organizing consumption and production activities.'<sup>4</sup> This definition possesses the advantages of the first and the third definitions of explicitly referring to people or human beings. It also possesses the distinct advantage of referring to business thus displaying the important feature of economics that economics cannot be defined without reference to buying and selling, renting or trading. The mention of consumption and production is advantageous because it only requires a moment's thought to realize that it is human beings who need to consume and benefit from consumption and that consumption cannot take place without production (of either goods, services or labor). It is incomplete on the business side since the mere mention of production does not offer a hint as to the mechanisms of production.

The fifth definition that is given is the following: 'Economics is the study of money, interest rates, capital, and wealth.'<sup>5</sup> While this would seem to be the most technically correct definition so far and resembles in this way the technical though limited correctness of the fourth definition while possessing the obvious advantage of economy of expression, it possesses the disadvantage of concealing that it is people who set pay scales or interest rates and people who risk or lose capital and people who accrue wealth. The reference to wealth, however, does possess the advantage of making it very obvious that economics is concerned with the creation of value. In this case it is monetary value, which is indicated. Again, some of the main instruments of the production of revenue such as manufacturing, trade, labor, rent, and sales are omitted from the definition.

The sixth and last definition offered appears to be an effort to summarize the variations of definitions that can be offered: 'Economics is the study of how people and society choose to employ scarce resources that could have alternative uses in order to produce various commodities and distribute them for consumption, now or in the future, among various persons and groups in society.'<sup>6</sup>

This summary definition possesses the advantages of comparative comprehensiveness and economy while making explicit reference to people and society, thus displaying that it is people and society who are the producers, distributors and the ultimate recipients of economic activities. It also possesses the advantage of explicitly stating that the purpose of economic activity is the production of commodities for people thus making it abundantly evident that people are the end users of economic activities and that it is thus social needs and social values that are being filled. While none of the above definitions explicitly refer to social needs or social values, social needs and social values are implied by all the definitions of economics that are offered thus suggesting that it is impossible in principle to define economics without taking into account social needs or social values in the first place. The means of production are not referred to in this definition and thus how production and distribution take place and why they take place is not indicated.

It is interesting to note that in the third and in the sixth definition offered a reference to scarce or limited resources is indicated. This most likely is the influence of the tradition of economic thought, which can be traced back to such figures as Malthus. Theoretically, one could approach economics as the study of abundant or over abundant resources. This would appear to be a question of circumstance, not principle. However, the reference to scarcity does seem to presuppose an ethical value, which is either thrift, or the value of distributive justice. The question, which is left unstated is, how does one manage production and distribution when the resources are limited? The question seems to imply that some attention in economics must be paid to making sure that resources either do not completely run out or that they are equitably distributed. Some concern is being shown for either the future of economic pursuit or the equity of its distribution or both. In either case, the reference to scarcity seems to suggest that some ethical value is at stake even if it is only meant that the ethical value is one's egoistic survival.

It is of interest to dwell for a moment on the concept that in the past economics has been an economics of scarcity rather than an economics of abundance. (Take note for example of Samuelson's third definition of economics above). It must be kept in mind

that a resource may be abundant but unequally distributed, e.g., oil. In an economics of abundance, one must consider even more carefully the concept of what to produce and how to distribute what is produced. The basic concept of an economics of scarcity is that goods and resources are scarce and therefore one must garner more and more of them for oneself. The basic concept of an economics of abundance is that goods and resources are abundant and therefore one must consider both how to distribute them more equally and to consider if they should be produced at all. For example, if the advance of technology and the mechanization of production have now made it possible to produce an enormous quantity of soft drinks, is it appropriate to produce such a product on such a vast scale and distribute it to consumers unable to make educated choices? With such means of production and both the quality and the quantity of nutrients now available, is it appropriate to continue to produce more and more soft beverages? Is it appropriate to continue to produce more and more automobiles? An economics of abundance creates a different set of questions than an economics of scarcity. If automobiles are to be produced, then where should they be distributed? If automobiles are produced, one result of that production is the increase in carbon dioxide. If wooden houses are built, then one result of that production is the decrease of natural forests. With an increase of carbon dioxide and the reduction of the plant life that require carbon dioxide for their survival, the result ultimately is raising of the temperature of the planet, the melting of the ice caps and eventually a possible flooding of the planet. A contributing cause of the above has been the result of a focus on an economics of scarcity rather than a focus on an economics of abundance.

It seems to follow from this lengthy analysis that it would make sense to include the idea of social value and or social need in the definition of economics as well as it is important to include the mechanisms of business enterprise in order to provide a complete and accurate definition of economic activity. Any useful definition of economics should include the major forms of the production, transmission and distribution of wealth just as any complete definition of economics should make reference to the major mechanisms of wealth production. One might venture a definition of economics, which includes a direct reference to the how of production and consumption (thus satisfying the technical needs of the definition), which at the same time refers directly to the motivation, or the end-purpose of economics in the first place. While it is certain that the following definition is by no means problem free, it possesses the advantage of making the concept of social value and the means of creating that social value explicit. Economics may be defined as the ownership or use of capital investment, labor or land to produce a product, or to provide a service that fills some existent social need, or creates a new need to be filled, or creates some social value which generates revenue for the owner or owners without at the same time creating a disvalue which is proportionately of greater harm than the good that is produced. The more that the good or service contributes to the social value of the underdeveloped world, the greater the value of the good or service that is produced. For a non-profit business, that portion of the definition specifying that the revenue is to be generated for the profit of the owner or owners may be omitted. This definition of economics is more user-friendly than the definitions of economics that appear above because it both explains how products or services are produced and states that such a production fills

social needs (whether pre-existent or created) and fills these social needs by creating social value. It also possesses the decided advantage of making a direct reference to the production of revenue or profit without which economics could and would not exist in the first place unless one considered a pure barter economics which would create and depend upon the existence of human needs and human values, but which would not necessarily require that individuals would derive additional profit from such bartering. Unlike all of the previous definitions of economics, it takes into account the extension of the concept of social value to the underdeveloped or the have-not world. At the same time, unlike all of the previous definitions of economics, it takes into account an economics of abundance by specifying that certain kinds of goods and services, those that represent a disvalue to the planet, are not to be produced in addition to specifying what kinds of goods and services are to be produced.

#### NOTES

- <sup>1</sup> Samuelson, P.A., and W.D. Nordhaus (1980). *Economics*. Twelfth Edition. p.4. New York: McGraw Hill.
- <sup>2</sup> Ibid.
- <sup>3</sup> Ibid.
- <sup>4</sup> Ibid.
- <sup>5</sup> Ibid.
- <sup>6</sup> Ibid.