

**PERSON:  
AN ECONOMIC AGENT FOR THE ELECTRONIC AGE**

**by**

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## **Abstract**

This article addresses two tasks. First, it provides a rough sketch of what it means to approach economic affairs from the perspective of person and personalism versus individual and individualism. To accomplish that task, it is necessary to answer three questions about the economic agent: 'Who?,' 'What?,' and 'Whose?.' How one responds to those questions determines how one thinks about economic affairs. Second, we trace the origins of personalist economics to Aristotle, Aquinas, and Smith, and show why personalist economics departs from mainstream economics, and how it is linked to Weber and Walras principally through Schumpeter. In undertaking the second task it has been necessary to demonstrate that person and personalism which emerged during the electronic stage of human communication are much more relevant to contemporary economic affairs than individual and individualism which are tied to the earlier script stage of human communication.

Keywords: person, personalism, personalist economics, *homo socio-economicus*, economic agent, human communication.

The first and most important strength of personalist economics is that it rests on and offers a different ideological foundation for doing economics and understanding economic affairs. It points to the need to re-think our premises, re-examine our description of economic affairs, and re-assess our policy recommendations by substituting personalism for both the individualism of mainstream economics and the collectivism of its principal alternative. It argues that how we understand and describe economic affairs and where we end up in terms of economic policy depend on where we begin with our premises. Taken seriously by our colleagues in economics, whether orthodox or heterodox, personalist economics calls for much greater openness and critical scrutiny of the premises we use routinely but discuss only occasionally.

The challenge we in personalist economic faced from the very beginning was to sort through how our understanding of economic affairs changes when we shift from individual as the basic unit of economic analysis with its underlying philosophical foundations in individualism to person and personalism. At the start we said, somewhat apologetically, “we will know more later.”

This article sets out to accomplish two tasks. First, we intend to provide a rough sketch of what it means to approach economic affairs based on person as the basic unit of analysis supported by personalism that differentiates person from individual. Second, we trace the origins of personalist economics to Aristotle, Aquinas, and Smith, and show why personalist economics departs from mainstream economics, and how it is linked to Weber and Walras principally through Schumpeter. In undertaking the second task it has been necessary to demonstrate that person and personalism which emerged during the electronic stage of human communication are much more relevant to contemporary economic affairs than individual and individualism which are tied to the earlier script

stage of human communication. Unfortunately, limits on the length of this article require us to shorten our discussion.

### ***HOMO SOCIOECONOMICUS: THE NEW ECONOMIC AGENT***

Personalist economics examines three questions of central importance to our understanding of the economic agent: ‘Who are we?’, ‘What are we?’, and ‘Whose are we?.’ Simply put, as to ‘Who?’ the economic agent as a person is at once an individual being and a social being, a unique one-of-a-kind human being though no less a member of a family, a neighborhood, clubs, a business establishment, a faith-based community, and the like. This duality, for example, plays a significant role in how we define and measure poverty (see O’Boyle 1990). Personalist economics reinforces this duality by referring to the economic agent not as individual or *homo economicus* but as person or *homo socioeconomicus* instead.

Regarding the second question ‘What?’, the economic agent as a person is both matter and spirit, the one corruptible, the other indestructible. Human materiality clearly is a central issue in our understanding of consumer behavior, notably with regard to sustenance and rest. But economic agents as persons have needs beyond the strictly material -- needs of the human spirit for truth, goodness, and beauty -- which also are addressed by means of consumption. To illustrate, there are costs involved in attending a university in the pursuit of truth, in visiting a museum in search of beauty, in reading a book in the quest for goodness. In contrast to mainstream economics which defines leisure in negative terms as time spent not working, personalist economics defines leisure in positive terms as time and income spent in meeting the need of the human spirit for truth, goodness, and beauty.

Human materiality is a necessary condition for the performance of work in the sense that virtually all human work requires the worker to be embodied. Further, work clearly is the means by which humans earn the income to purchase the goods and services they need or want. However, work also involves the human spirit in that there is a need for work as such that reflects our dual nature as individual beings and social beings. Work helps meet the need to belong that is embedded in human sociality and the need for opportunities to apply one's creative skills, talents, and energies that derives from human individuality. Mainstream economics regards the need for work as such as outside the boundaries of economic science. Personalist economics insists that this need must be incorporated into our thinking about economic affairs. In the workplace, in other words, *homo socioeconomicus* is much more than a money-making machine.

To flesh out our meaning with regard to the economic agent, *homo socioeconomicus*, we turn to the third question 'Whose?.' Mainstream economics with its grounding in individualism asserts that each one belongs uniquely to self. Radical economics, on the other hand, rooted in collectivism insists that all of us belong to and are subordinated to the collective. In the extreme, mainstream economics takes a libertarian view of humans that frees the individual entirely from the clutches of the oppressive state and radical economics takes a totalitarian view that not only subordinates the individual to the state but also reduces the individual to an object. Personalist economics affirms, instead, that we belong to our Heavenly Father who created us in His image and likeness. In responding to a question regarding the difference between individual and person, John Paul II replied that person is very nearly divine [1].

However, unlike the way in which it differentiates itself from the mainstream and from

radical economics on the questions ‘Who?’ and ‘What?,’ *personalist economics* sets itself so far apart on the question ‘Whose?’ that further dialogue is closed off with those in economics who are nonbelievers or hold the view that one’s beliefs should not enter their economics. In a world that is overwhelmingly secular, holding views of the sacred in economics is seen by many as a weakness and by others as a disqualifier. Thus, proponents of *personalist economics* are likely to be marginalized and even excluded from the company of mainstream economists and of some heterodox economists. Even so, we are most encouraged by Joseph Becker’s fortitude in these matters.

In talks I have given over the years to people working in the unemployment insurance program, especially government officials and representatives of management, I have urged them to see the unemployed as Christ Himself, who will some day say to them “Because you did it to the unemployed, you did it to Me” [Becker 1991, p.56] [2].

The proposition that we human beings belong to God drives all of personalist economics. Indeed, we argue that there is no other way to examine economic affairs. Personalist economics does not deny the instrumental value of humans in economic affairs. Instead it insists that *homo socioeconomicus* has worth beyond mere instrumental value, that human beings as persons acting in economic affairs have a sacred dignity that must be respected by economic analysis. Even the poor, the unemployed, the homeless, the enslaved, the imprisoned, the terminally ill have a dignity as persons who are very nearly divine that cannot be dismissed by mainstream techniques such as cost-benefit analysis.

Personalist economics orders economic reality in terms of producing, distributing, exchanging, consuming, saving, investing, credit creating, innovating, developing, and (re-)vitalizing and affirms the principle of subsidiarity [3] as helpful in sorting through the problem of defining the proper role of government in those processes. Representing economic affairs in terms of these clearly human activities puts a human face on economic reality and warns us that our economics has to take into account when those activities are ethically proper and when they become unethical. Accordingly, personalist economics presents a framework for ethical decision-making based on the three central principles of economic justice -- equivalence, distributive justice, and contributive justice -- and demonstrates how each one applies to both the workplace and the marketplace (see O'Boyle 2004-2005). In brief, these three principles limit the ill-gotten gains that can be extracted from other economic agents through exchange which has been contaminated by practices such as expense padding, shoplifting, harassment, kickbacks, dumping and insider trading.

The virtue of Christian charity (see O'Boyle 1991) partners with the virtue of justice in protecting human wellbeing in economic affairs. Bringing the virtue of justice into play means that *personalist economics* is intrinsically normative and at odds with the logical positivism of mainstream economics. Pulling in the virtue of Christian charity reinforces the marginalization and exclusion from the mainstream which follows from the answer to the question 'Whose?' in personalist economics.

All of the human activities enumerated above -- producing, distributing, exchanging, consuming, saving, investing, credit creating, innovating, developing, and (re-)vitalizing -- are activated by the twin engines of competition and cooperation. Personalist economics presents all of

these human activities except developing and (re-)vitalizing in considerable detail as means to the end of meeting human material need. By (re-)vitalizing we mean the physical (re-)vitalizing that humans require because the body is depleted by various human activities especially work, and the (re-)vitalizing that the human spirit requires due to ignorance, neglect, or pre-occupation with other human needs or wants.

Consuming and (re-)vitalizing bring to the fore the difference between *having* and *being*. As John Paul II has warned repeatedly under the heading of the dangers of consumerism, without limits on consuming and *having*, (re-)vitalizing and *being* are slighted. Personalist economics states that the most important limit on consumerism is located in the virtue of moderation which reminds us that the goods of this world are not ends in themselves but the means to further personal development and without which in the extreme the human disorder of compulsive buying or shopaholism develops.

Personalist economics constructs a bridge between the premises it employs and how it proceeds in describing economic reality at its most elementary level (see O'Boyle 2004). This presentation has been strengthened by linking it metaphorically to the operations of a twin-engine aircraft wherein the two organizing principles that activate economic affairs -- cooperation and competition -- are represented as the two engines that provide lift for the aircraft (economy) and the third organizing principle -- intervention -- provides control and direction to economic activities just as the plane's rudder and stabilizers allow the pilot to maneuver the aircraft safely in flight. Further, the entrepreneur -- the critical acting person who drives change in both the marketplace and the workplace [4] -- is the pilot in the sense of making decisions that determine course and destination. Finally, the investment banker fuels the economy with the credit necessary to start and operate the

twin engines of competition and cooperation. Regulatory agencies such as Securities and Exchange Commission and the Federal Trade Commission are responsible for inspecting the aircraft and providing control during takeoff, flight, and landing. The Federal Reserve System assures that the fuel supply is adequate and free of contaminants.

In characterizing the various human activities that are central to economic affairs, we have found *limit* to be a most helpful pedagogical device. It applies, for example, to producing in the sense that every production process confronts the limit of plant capacity beyond which additional inputs result in actual losses of output. This limit originates in the human body and reflects the physical fatigue and exhaustion that virtually every worker experiences on a daily basis, and in the human spirit in that it reflects the boredom and the fundamental human disorder of workaholism. The limit applies to consuming in the sense that every consumer confronts the limit originating in his/her own materiality beyond which additional consumption is irrational because it results in a loss of total utility. Other applications refer to the excess-reserve limit imposed on the loan portfolio of a private commercial bank operating in a partial-reserve banking system and to waste, resource depletion, and environmental contamination which theoretically are limited by Earth's carrying capacity.

The term "the new economy" emerged in the dot.com boom of the 1990s (see, for example, Mandel 1999). It remains relevant today well after the bursting of the dot.com bubble because "the new economy" is more than just a catchphrase. Economic affairs are conducted differently today for two main reasons. First, the information-communication technology revolution has permanently altered the way that economic agents interact and in turn has changed the economic agent's awareness of others and of self. Second, increasingly commerce is conducted in ways that the

sovereignty of the nation-state no longer matters. Large, supra-national economic unions such as the European Union have broken down barriers between countries in Europe that until recently impeded the flow of goods and services and economic resources. In this regard, personalist economics has proposed a set of norms for evaluating economic globalization derived mainly from John Paul II and the *Universal Declaration of Human Rights* (see Gaburro).

There are 14 central tenets of personalist economics.

- Human beings are sacred with rights originating in their very nature.
- Human beings are both want-satisfying and need-fulfilling.
- Meeting the needs and wants of the human body and spirit is the ultimate purpose of an economic system.
- Person (*homo socioeconomicus*) replaces individual (*homo economicus*).
- Economics is a value-laden discipline that struggles to sort out the uncertainty and conflicts in economic affairs.
- Decision-making centers around markets and institutions.
- Justice and Christian charity are necessary to check abuses that derive from excessive gain-seeking behavior.
- Three principles organize economic affairs: competition, cooperation, and intervention.
- Three social values underlie the three organizing principles.
- Dynamic disequilibrium rather than static equilibrium is the order of the day.
- Some limits inhere in economic affairs and others must be imposed because humans are materialized spirits.

- No less than his *Wealth of Nations*, Adam Smith's *Moral Sentiments* should inform our re-thinking of economics affairs.
- The evolutionary model is superior to the cyclic model.
- The human person is the basic unit of economic decision-making and economic analysis.

A textbook is available for teaching personalist economics at the introductory level based on the usual textbook divisions (foundations, microeconomics, and macroeconomics) at the author's own website: [www.mayoresearch.org](http://www.mayoresearch.org).

### **ORIGINS OF PERSONALIST ECONOMICS**

Aristotle's contributions to Western thought are enormous: deduction and induction, syllogism, analysis of causation into material, efficient, formal, and final, distinctions such as subject/predicate, essential/accidental, potentiality/actuality, universal/particular, genus/species/individual, matter/form, and ten categories -- substance, quantity, quality, relation, place, time, position, state, action, and affection [Tarnas 1993, p.60]. He is credited by many with founding the first university where the course of study included biology, theology, metaphysics, astronomy, mathematics, botany, meteorology, ethics, rhetoric, politics, and poetics [McClelland 1996, p.52].

Aristotle demonstrated through logic that there exists a supreme being whom he called the Unmoved Mover, that happiness is the goal of human existence and virtue is the necessary precondition for achieving that goal, that body and soul are linked to one another as matter to form, that there is a developmental dynamic to all living things, that humans alone share in God's nature by virtue of intelligence, are capable of communing with God, and achieve their full potential through

the development of their shared nature, through their divine intellect [Tarnas 1993, pp.61, 63, 67]. Aristotle powerfully influenced medieval Christian and Islamic scholastic thought and until the 17<sup>th</sup> century Western culture was grounded principally in Aristotelian thinking [*Encyclopedia Britannica* 2005, p.1].

For the thinking Christian in the Middle Ages, the lessons of Greek science beg reconciliation with the teachings of the Church of Christ. Reason must be squared with revelation. Thomas Aquinas certainly was not the first man of letters to attempt this reconciliation. However, he was for sure the most important of his contemporaries, known as the Scholastics, and his influence on Western thought extends well beyond the medieval period to the modern age [Hayek 1969, p.94]. As Tarnas explains:

The extraordinary impact Aquinas had on Western thought lay especially in his conviction that the judicious exercise of man's empirical and rational intelligence, which had been developed and empowered by the Greeks, could now marvelously serve the Christian cause. For it was the human intellect's penetrating cognition of the multitude of created objects in this world -- their order, their dynamism, their directedness, their finiteness, their absolute dependence on something more -- that revealed, at the culmination of the universe's hierarchy, the existence of an infinite highest being, an unmoved mover and first cause: the God of Christianity [Tarnas 1993, p.188].

... Aquinas converted Aristotle to Christianity and baptized him. Yet it is equally true that in the long run Aquinas converted medieval Christianity to Aristotle and to the values Aristotle represented [Tarnas 1993, p.189].

Personalist economics originates in this marriage of Greek science from antiquity and Scholastic philosophy from the Middle Ages [5] principally at first through the labors of the German Jesuit Heinrich Pesch to construct an economics based directly on Aristotelian-Thomistic thought.

Pesch's five-volume magnum opus *Lehrbuch der Nationalökonomie*, originally published in German between 1905 and 1926, has been aptly described as a commentary on Leo XIII's 1891 encyclical *Rerum Novarum* [6] and a sourcebook for Pius XI's encyclical *Quadragesimo Anno* forty years later [7]. For most of the 20<sup>th</sup> century Pesch's economics was known as solidarist economics due to its heavy emphasis on human solidarity as opposed to individual autonomy. Pesch's work was continued and extended by his study group that included notably two other Jesuit economists, Gustav Gundlach and Oswald von Nell-Breuning, plus Franz Mueller and Goetz Briefs. Von Nell-Breuning *sub silentio* participated in the preparation of a draft of *Quadragesimo Anno* [8]. Briefs and Mueller emigrated to the United States, and both played a role in the establishment of the Catholic Economics Association in 1941 that some 30 years later became the Association for Social Economics.

Drawing on Aristotle and Aquinas, solidarist economics rejects the individualism of the main pillars of classical economics -- Smith, Ricardo, Malthus, and John Stuart Mill -- who were inspired by several Enlightenment philosophers including notably Hobbes, Locke, and Hume [9] and constructed an economics in the 75 years following the publication of Smith's *Wealth of Nations* in

1776 strictly on reason in which the economic agent is represented as cut off from a deity who does not care or worse yet does not exist. Smith's *Theory of Moral Sentiments* in which generosity, benevolence, and sympathy also influence economic decision-making was all but buried by classical economists in the 19<sup>th</sup> century who found much more to cling to in his *Wealth of Nations*. The same selective reading of Smith applies even today except for a very few whose economics is outside the mainstream.

Starting more than 200 years ago, individualism, materialism, empiricism, and secularism took firm hold not just in economics but across all of Western culture, and not just for the moment. The result has been a huge and permanent split from Aristotle and Aquinas, from God and revelation.

For the robust civilization of the West at the high noon of modernity, it was science and reason, not religion and belief, which propelled [man's] progress. Man's will, not God's was the acknowledged source of the world's betterment and humanity's advancing liberation [Tarnas 1993, p.323].

Writing more than 100 years after the individual became the basic unit of economic analysis and individualism its philosophical underpinnings, Pesch launched the following criticism.

Individualism represents a mechanism. It has no intrinsic binding force, no inner organic unity, no coordination or direction toward a common goal. Thus competition there does not amount to contention in the performance of functions toward the fulfillment of a common purpose, but it is rather a relentless conflict among individuals. Authority remains as something extrinsic to this process rather than an

intrinsic principle of society. Its task is simply to prevent the worst kind of mayhem, like the policeman in Berlin on New Year's Eve [Pesch 2002-2003, vol.II, bk.1, p.249].

The clash between classical economics and solidarist economics centers on method. Classical economics is narrow, mathematical, deterministic science. Solidarist economics is broad, soft, moral science. Classical economists think about economic affairs mainly in terms of the decision-making process and maximizing behavior of the individual. Solidarist economists think about economic affairs principally in terms of human material well-being [Waters 1988, p.137].

This clash notwithstanding, there are clear connecting links between solidarist economics and three central figures in the history of economic thought: Smith, Weber, and Schumpeter. Without tossing aside *Wealth of Nations*, solidarist economics has been much more open to *Moral Sentiments* than classical economics has been [10]. *Wealth of Nations* presents an understanding of economic affairs based on the individuality of the economic agent whereas *Moral Sentiments* calls attention to the sociality of the economic agent.

Weber noted that the split in economics between those who were overly abstract and non-historical and others who were overly historical and non-theoretical was polarizing economics into two sciences. In a new type of economics called *Sozialökonomik* Weber attempted to bring the two together through a synthesis that used sociology to reconcile economic history and economic theory. Gordon calls attention to a "striking re-echo" in Weber of Aristotle's view that economics should be oriented primarily to ends and then to the means appropriate to those ends [Gordon 1963, pp.155-156].

Weber greatly influenced his young colleague Schumpeter whose own work was constructed around Weber's paradigm, at times leaning more toward the mathematical and at other times leaning toward the historical [Swedberg 1991, p.2]. In leaning toward the mathematical the 25-year old Schumpeter published *The Nature and Essence of Economic Theory* (1908) in which he displayed admiration for the work of Walras [Perlman 1998, p.560]. In *History of Economic Analysis* which was published posthumously almost 50 years later Schumpeter argued that even though Walras' general equilibrium theory did not incorporate a dynamic that accounts for change in economic affairs, it was Walras who first discovered the fundamental problem of economics [Swedberg 1991, pp.29,188]. Perhaps not surprisingly, as Casson states, the entrepreneur who is so central to Schumpeter's general dynamic theory is unnecessary in neo-classical economics because other economic agents already account for every economic function; the closest the neo-classicals come to Schumpeter's entrepreneur is the Walrasian auctioneer [Casson 2003, pp.12-13].

There are two direct connections between Schumpeter and what later became personalist economics. First, it is reported that Schumpeter once asked Briefs 'Why don't you design the alternative [economic] system?'. Further, in a public forum just nine days before his death, Schumpeter pointed to *Quadragesimo Anno* as a viable alternative to socialism [Waters 1961, pp.136-137]. Second, Schumpeter was Bernard Dempsey's doctoral adviser at Harvard University and wrote an exceptionally complimentary introduction to Dempsey's dissertation when it was published in the early 1940s under the title *Interest and Usury* [Roets 1991, p.548-549]. No doubt it was Dempsey who as Schumpeter's student called his attention to the Scholastics and their work on utility, interest, and money. At roughly the same time fellow Jesuit economist Thomas Divine and

Dempsey founded the Catholic Economics Association [11]. It is rumored that when Schumpeter served as president of the American Economic Association in 1948 he was able to have the Catholic Economics Association included as one of the six founding associations of the Allied Social Science Associations, the organization that coordinates the annual meetings of professional economists that today typically draws more than 7,000 registrants.

There is a third important connection between Schumpeter and personalist economics, though this connection is less direct. William Waters wrote his doctoral dissertation at Georgetown University on Schumpeter (see Waters 1952), served as editor of the *Review of Social Economy* for 20 years starting in 1965, was elected president of the Association for Social Economics and was named first recipient of the Thomas Divine Award for lifetime contributions to social economics and the social economy. Waters' scholarly writing and teaching were deeply rooted in Schumpeter's thinking [12] and especially in the late 1980s Waters became identifiably personalist though he still referred to himself as being within the solidarist tradition. His presidential address in 1987 is titled "Social Economics: A Solidarist Perspective." No one more so than Waters connects personalist economics to Schumpeter, Pesch's study group, Aquinas, and Aristotle. Two statements taken from his dissertation help make this connection evident. The very first sentence in the introductory chapter reads as follows: "To appreciate the investigations that follow, the reader must be fully conscious of our debt to Aristotelian metaphysics" [Waters 1952, p.1]. Later in the same introduction Waters makes this assertion: "We wish to give recognition to the great man [Schumpeter] who restored the *human person* as the dynamic factor in the explanation of economic activity" [Waters 1952, p.19; emphasis added]. Although as a graduate student he became Schumpeterian in thinking principally

under the influence of Josef Solterer, Waters also studied under Briefs. A reading list for those who would like to explore the solidarist and personalist economics literature is found in O'Boyle [2002].

### FINAL COMMENTS

Figure 1 provides a schematic showing that the origins of personalist economics are traced to Aristotle and Aquinas and incorporate the father of economics without ever embracing the individualism of the Enlightenment that continues to dominate mainstream economics today.

The papal encyclical *Rerum Novarum* (1891) helped inspire the development of solidarist economics in Germany under the guidance of Pesch who was deeply troubled by the abject poverty he observed in England in the late 1800s, rejected as seriously flawed the individualism at the center of economic thought at that time, and set out to construct economics on the foundations of the much older philosophy of the scholastics. Solidarism in turn found an important though silent outlet in the encyclical *Quadragesimo Anno* (1931). Briefs, along with Mueller and one or two others from Pesch's study group who emigrated to the United States, along with the American Jesuits Dempsey and Divine, established the Catholic Economics Association in 1941 (renamed the Association for Social Economics in 1970).

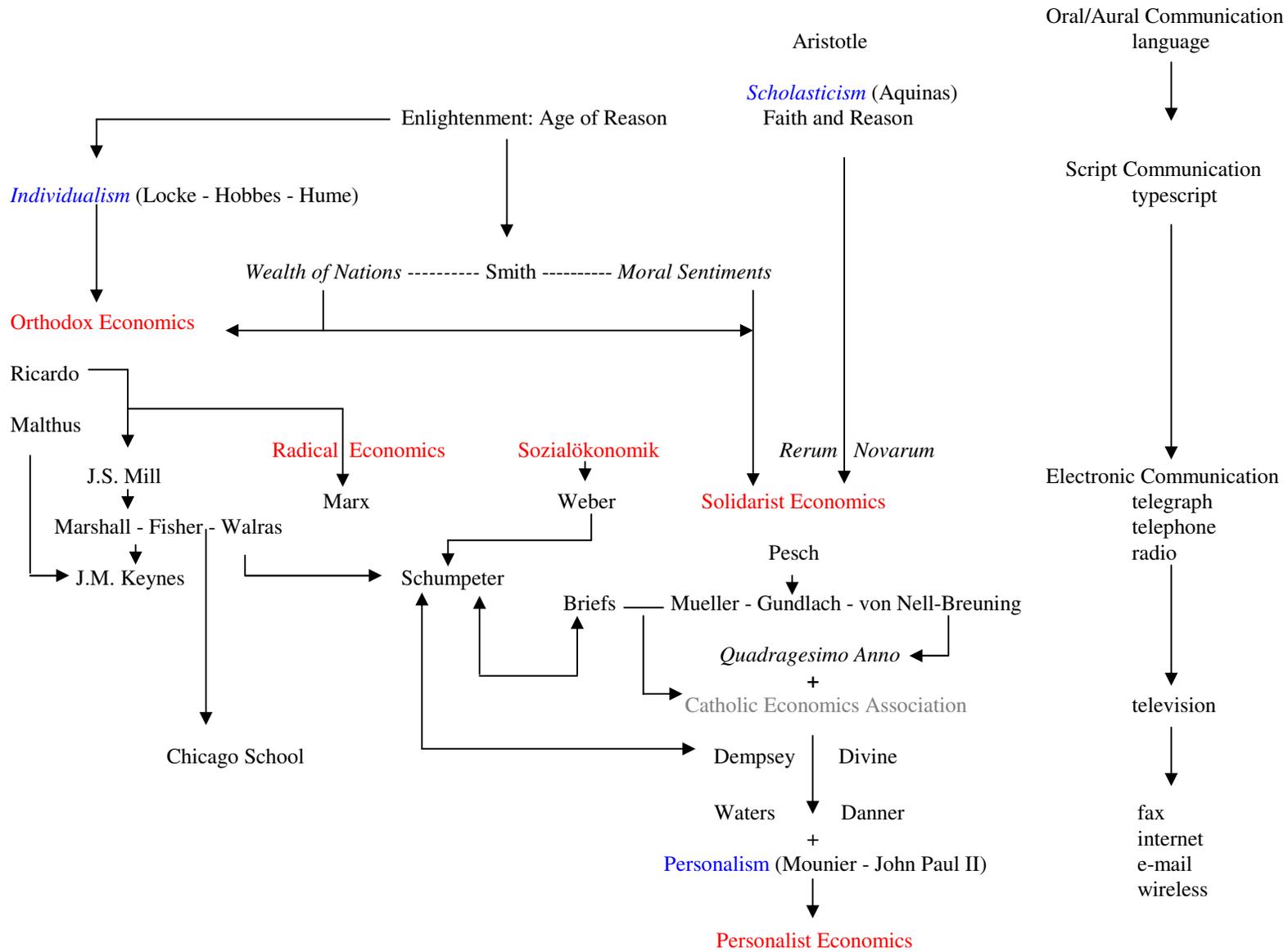
Schumpeter's economics entered the Association initially through Briefs and Dempsey. Personalist economics emerged on its own as the offspring of solidarist economics principally at the hands of Waters who was greatly influenced by the teachings of Aristotle and Schumpeter, and Danner whose work [13] draws heavily on John Paul II and Mounier.

Figure 1 also provides a timeline that connects the three stages of human communication -- the oral/aural stage, the script stage, the electronic stage -- to the evolution of economics since the

Enlightenment. In the oral/aural stage, human communication was strictly face to face thereby drawing humans closer together and requiring economic agents to interact face to face, underscoring their human sociality. In the script stage, especially after the invention of the printing press, interaction between economic agents could occur at great distances over an extended period of time without their ever meeting face to face, accentuating their human individuality as humans and because they had to be more self-reliant subduing their human sociality. In the electronic stage which was began with the telegraph economic agents interact over long distances in a short period of time, making them more other-reliant in day-to-day economic affairs without suppressing their human individuality. The economic agent in the electronic stage is both an individual being and a social being, no longer just an individual but a person. Ong asserts that personalism emerged in the electronic stage that enhanced human awareness of self and of others [14]. Without directly connecting them to person and personalism, Marshall remarked that the telegraph and other means of human communication “are widening the scope of collective action” [Marshall 1948, p.25] and are enabling economic agents to “apply their constructive or speculative genius to undertakings vaster, and extending over a wider area, than ever before” [Marshall 1948, p.685].

*Homo economicus* is the creature born of the individualism of the script stage. *Homo socioeconomicus* is the new economic agent for the electronic age.

**FIGURE 1. THE ORIGINS OF PERSONALIST ECONOMICS**



## Notes

1. See John Paul [1995, § 84] paraphrasing the 8<sup>th</sup> Psalm, verses 5-6.
2. Becker received the prestigious Thomas Divine Award from the Association for Social Economics for lifetime contributions to social economics and the social economy.
3. The government should do for the people only what the people are unable to do for themselves.
4. For more on the person of the entrepreneur, see O'Boyle 1994.
5. Schumpeter asserts that economics emerged in the 18<sup>th</sup> century due to a convergence of the philosophy of the ancient Greeks and the Scholastics and a literature on practical economic affairs that appeared in England between the 16<sup>th</sup> and 17<sup>th</sup> centuries. These two original sources converged at the time of the controversy surrounding the French corn laws. In *History of Economic Analysis* Schumpeter argues that more so than any other group the Scholastics with their understanding of utility, interest, and money laid the foundations of economics [Swedberg 1991, pp.42-42, 187].
6. Misner provides a detailed account of the predecessors of this encyclical within Catholic circles in which he identifies the Jesuit periodical *Civiltà Cattolica* as the “social-philosophical taproot of *Rerum Novarum*” that “drew consistently on a Neo-Thomistic personalism” [Misner 1991, pp, 451, 456].
7. Worland argues that Pius XI drew on the concept of legal justice as articulated by Aristotle and Aquinas and reformulated it so that the principle of subsidiarity provides moral guidance for a modern economic system [Worland 1991, p.622].
8. See “Goetz A. Briefs” in the December 1983 *Review of Social Economy*.
9. Others including Descartes, Kant, and Diderot easily could be mentioned here. We have chosen

Hobbes, Locke, and Hume from the Enlightenment period in part because (a) as with Smith, Ricardo, Malthus, and Mill, all three are British, (b) all three taken together are identified as materialists, as opposed to idealists, by Haney [1949, p.197], and (c) Hume according to Heilbroner [1986, p.42] was Smith's "intimate."

10. See, for example, the December 1976 special issue of the *Review of Social Economy* that is built entirely on the theme of "the social economics of Adam Smith."

11. Oddly, these two Jesuits -- one trained at Harvard, the other at London School of Economics -- saw things much differently. While Dempsey was powerfully influenced by Pesch, Divine was closely allied with mainstream economic thought. Eventually, Divine's view became the dominant perspective within the Association [Waters 1990, pp.92-93].

12. Following completion of his service as editor of the *Review of Social Economy* in 1985, Waters served as special editor of a 1991 issue of the *Review* on the theme of "the social economics of Joseph A. Schumpeter."

13. See in particular his *The Economic Person*.

14. See Ong 1967 for more on the three stages of human communication.

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