ON NEED, WANTS, RESOURCES, AND LIMITS

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The icy roofs below me now
Shelter all the souls within
But, oh, what's gonna shelter me
From the thought of what could
    have been
Why does laughter remembered
Always lead me to tears
I've got the life I want, but I don't
    have what I need

[Carole King and John Bettis]

For some time, the conventional wisdom in economics has been that resources are limited, that wants are unlimited, and that the business of the economist is to understand how limited resources are to be allocated to satisfy unlimited wants. Thus, scarcity and choice are at the very center of the study of economic affairs. In Chapter 1 of Ruffin and Gregory's *Principles of Economics*, for example, wants, resources, and scarcity are handled as follows:

> Economics studies how people choose to use their limited resources (land, labor, and capital goods) to produce, exchange, and consume goods and services ... Scarcity is present when the virtually unlimited wants of a society are greater than its economy can meet [Ruffin and Gregory, p. 3].

Essentially the same may be said for McConnell and Brue whose best-seller *Economics* asserts that resources are limited before also stating that wants are unlimited [see pp. 1 & 19]. For all practical purposes, Byrns and Stone are no different [see p. 5].

All three pairs of authors are alike in that the question of poverty is relegated to the back of the book. Byrns and Stone address poverty in Chapter 36, McConnell and Brue handle the subject in Chapter 35, and Ruffin and Gregory examine it in Chapter 40. Students who learn principles using these textbooks in effect are instructed to separate wants and need and to distance themselves from the latter. On this matter, Byrns and Stone are quite direct:

> You may wonder if available resources accommodate everyone's 'needs,' but 'needs' are ambiguous. Most Americans find a car a 'necessity,' and many of us go through withdrawal symptoms when deprived of television for a day or two. And in a wealthy society like ours, even meals are often recreational and unnecessary.

> What things are absolutely required for survival? Life could be sustained for $1,000 a year if, for example, you consumed soybean curd and vitamins, lived in a cardboard shack, and work secondhand clothes to prevent sunstroke or frostbite. Most of us, however, would view people trying to live so meagerly as still needy. Economists stress consumer demand because 'need' is both vague and normative [Byrns and Stone, p. 57].

As with many other principles textbooks, the three texts cited above include in the front matter long listings of the names of professional colleagues who have reviewed the book and presumably endorse what the authors have to say. Indeed, the authors' views are so widely shared among economists today that one can assert with confidence that they are regarded by mainstream economists as historically true and forevermore proven.

It was not always this way, however. For instance, more than 35 years ago in the third edition of *Economics: An Introductory Analysis*, Samuelson stated the purpose of economics as follows:

> It is the first task of modern economic science to describe, to analyze, to explain, and to correlate these fluctuations of national income. Both price inflation and depression unemployment are our concern. This is a difficult and complicated task, but still an obvious one. A second task is equally difficult, but perhaps not so obvious. We must study the economic principles that tell us how productivity can be kept high and that tell us how people's standards of living can be improved. It is not enough to make jobs plentiful so that economic resources do not go unemployed. We must also make sure that our economic resources are fruitfully employed in such a way as to be efficiently producing the goods and services that people really <u>want and need</u> [Samuelson, p. 4, emphasis added].

More than 70 years ago in the eighth edition of his *Principles of Economics: An Introductory Volume*, Marshall defined economics in these terms.

> Political economy or economics is a study of mankind in the ordinary business of life; it examines that part of individual and social action which is most closely connected with the attainment and use of the material requisites of wellbeing [Marshall, p. 1].

Poverty, he makes plain, is fundamental to the discipline of economics.

> Although then some of the evils which commonly go with poverty are not its necessary consequences; yet, broadly speaking, 'the destruction of the poor is their

> poverty,' and the study of the causes of poverty is the study of the causes of the degradation of a large part of mankind [Marshall, p. 3].

At the very beginning of the introduction to his *Wealth of Nations*, Smith connects needs and wants not once but twice.

> The annual labor of every nation is the fund which originally supplies it with all the necessaries and conveniences of life which it annually consumes, and which consist always either in the immediate produce of that labor, or in what is purchased with that produce from other nations.
>
> According therefore, as this produce, or what is purchased with it, bears a greater or smaller proportion to the number of those who are to consume it, the nation will be better or worse supplied with all the necessaries and conveniences for which it has occasion [Smith, p. lvii].

The change in direction and emphasis that has taken place within economics over the years is attributable to a shift away from an Aristotelian perspective on the nature of economic studies toward the Enlightenment view [Waters, p. 137]. The result is an economics that is defined more in terms of objects and less in terms of persons, making it into a positive discipline as opposed to a normative one. Thus, according to conventional economists, the discipline becomes more objective, less subjective, and thereby more scientific.

For the student who is a careful reader, confusion may follow, reflecting perhaps that mainstream economists are somewhat indecisive in this matter or, as Waters suggests, that some things simply are taken for granted and remain unexamined [Waters, p. 137]. Thus, in his new principles textbook Collander takes the customary stance of distancing himself from normative economics [Collander, p. 23] at the same time he asserts, as with Marshall, that economics is about "mankind in the ordinary business of life" [Marshall, p. 1].

> The economy is the institutional structure through which individuals in a society coordinate their diverse wants or desires. Economics is the study of the economy. That is, economics is the study of how human beings in a society coordinate their wants and desires [Collander, p. 6].

It is no surprise to discover that "need" does not appear in the index of Collander's text and that poverty is addressed in Chapter 32.

> After all these years, Marshall's expanded definition of economics still is most convincing: Thus [economics] is on the one side a study of wealth; and on the other, and more important side, a part of the study of man [Marshall, p.1].

In what follows this author attempts to challenge the conventional notions that wants are virtually unlimited, that economic resources are limited, and that poverty -- unmet human physical need -- is best addressed completely apart from wants. His working definition of economics is: the study of human beings as workers who produce wealth and as consumers who use that wealth to satisfy wants and meet material need.

INDIVIDUALITY, SOCIALITY, AND THE SOCIAL QUESTION

By virtue of their free will and intellect, human beings as consumers functioning in a market economy are free to choose within limits both the wants that are to be satisfied and the needs that are to be met. They use this freedom wisely and demonstrate their rationality whenever satisfying a want does not interfere with meeting a need. Need, in other words, is an object of the intellect, a thing primarily to be known. Want, in contrast, is an object of the will, a thing principally to be sought after.

Human Individuality.

The individuality of all human beings means that, even though need proceeds from the materiality of human nature and in a general sense is the same for all, need in a specific sense is different from one person to another. What constitutes a need for one person may be a want for another, such as the nearsighted person who needs eyeglasses as compared to the person with no visual problems who wants eyeglasses as a fashion statement. Some persons do not want what others in the same circumstances regard as needed, as with car seats for infants or hearing aids. There are even instances when a thing simultaneously meets a need and satisfies a want. A baseball cap may be needed for the protection it provides and at the same time it is desired for the message it sends. Further, the needs and wants of any given human being change with the passage of time.

A craving is a want over which some freedom of choice has been lost. In some instances, a craving becomes an addiction, a want over which there is virtually no control. A dependency and an addiction are alike in that both signify a loss of control. They are different in that feeding an addiction, as with the alcoholic, is life-threatening whereas maintaining a dependency, as with the insulin-dependent diabetic, is life-enhancing.

Conventional economics takes all of these -- wants, needs, fashions, cravings, addictions, and dependencies -- and reduces them to human wants and consumer demand. Setting aside need and focusing instead on wants allow mainstream economists to side step the use of value-laden concepts such as need and to cast consumer behavior in a value-free analytical mold.

In mainstream economics consumer behavior is represented chiefly as commodity-acquiring, want-satisfying, and utility-maximizing which proceed from the individuality of human beings and reinforce it. By adding Adam Smith's "invisible hand" principle to the philosophy of individualism, conventional economics argues that the well-being of everyone is served best when each individual pursues his/her own self-interest. Thus, even without intending it, the individual pursuit of one's own wants satisfaction is the best means to the wants satisfaction of one's neighbors.

Human Sociality.

The problem with conventional economics lies at its very foundations. Individualism asserts in effect that human beings as workers and consumers are one dimensional, that humans are individual beings only. In addition, rationality is emphasized to the near exclusion of materiality. In that sense, the consumer of conventional economics is construed as disembodied, is rational only as to the means in the economic order that satisfy, and is essentially unknowable as to economic ends.

The consumer is regarded as knowing what he/she wants, though economists cannot posit any ends, and given his/her income uses the market wisely to achieve the maximum satisfaction possible.

Personalism insists that the consumer of conventional economics is an incomplete person because the second dimension of human nature -- sociality -- is entirely disregarded. The duality of human nature means that self-centered, autonomous, self-made, solitary, and unique are not the only traits of the consumer. By virtue of his/her social dimension, the consumer also is other-centered, dependent, culture-bound, communal, and alike. In terms of marketplace behavior the complete consumer is want-satisfying and need-fulfilling, utility-maximizing and utility-satisficing, privacy-protecting and company-seeking, commodity-acquiring and gift-giving.

From the personalist perspective, individuality means that specific goods and services are selected by the individual consumer who looks inward at times to determine his/her own self-interest and who acts autonomously in order to serve his/her self-interest. From the personalist point of view, sociality means that specific goods and services are chosen by the individual consumer who is constrained by the social environment and looks outward at times not only to determine and serve his/her own self-interest but also to meet the needs and satisfy the wants of others, especially family members, neighbors, and peers.

The individuality of the consumer enables him/her to make intra-personal comparisons of wants and needs over time. The sociality of the consumer enables him/her to make inter-personal comparisons at any point in time. The consumer who is a conformist, for example, is a human being with little individuality. The free-rider is a person with little sociality.

Along both the individual dimension and the social dimension, choices are made rationally and wisely whenever the free will follows an intellect that is properly informed. The pure rationality of human beings as consumers is a claim that does not stand under careful examination.

The Social Question.

If the physical need of an individual is fully met even when that individual makes some unwise choices, it is not necessary to differentiate needs from wants unless using a specific good or service to satisfy a given want is dangerous or harmful to either the user or to others. Consumers routinely will attempt both to satisfy wants and also to meet need. Simply put, with one general exception of the hazardous choice, there is no social question whenever there is no unmet need.

On the other hand, if the physical need of an individual is not fully met even when that person has applied his/her financial resources prudently and even when none of the wants satisfied are dangerous or harmful, one must differentiate want from need. Under these circumstances, it is necessary to determine the extent to which society should intervene to help meet the need of the individual which he/she is not able to meet alone. In this regard, the principle of subsidiarity is instructive.

The principle of subsidiarity states that a larger more powerful unit of society, such as the state, should not usurp functions which can be handled as well by a smaller and weaker unit, such as the individual and his/her family, but should instead offer help (subsiduum) so that the weaker unit may function at full capacity. The principle of subsidiarity asserts that the state should intervene and provide help only for that part of unmet human physical need that the private sector is unable to provision alone. This principle, which reinforces the democratic principle by placing control of decision-making as close to the individual as possible, and not the sociality of human nature, transforms unmet human physical need or poverty from a strictly individual question into a social question.

There are two main advantages to construing the role of the state in this fashion. First, it allows considerable individual freedom of choice. Second, it encourages personal responsibility for one's own need, thereby preserving a powerful incentive to produce. At the same time, there are two main disadvantages to representing the state's role in terms of the principle of subsidiarity. First, by permitting a wide exercise of personal freedom of choice it runs the risk that individuals will use their financial resources unwisely, choosing to satisfy whims and fancies and to feed obsessions and addictions at the expense of meeting needs and dependencies. Second, it introduces the possibility that the powerful will use the state not to help the weak but to enhance their own individual wellbeing. Defining the state's role in this way is viable only as long as the economy actually produces the goods and services required to meet human physical need, individuals use their freedom wisely, putting needs and dependencies ahead of wants and obsessions, and, finally, the powerful really care about the weak.

Seen from the perspective of the principle of subsidiarity, the market economy is a set of complex economic institutions to help individuals meet those needs, satisfy those wants, and indulge those whims, fancies, and obsessions which they cannot meet, satisfy, or indulge alone, at the same time preserving the widest possible exercise of personal freedom. If the market economy were able to provision all of these demands, there would be no poverty and therefore no role of this type for the state. The market economy, however, uses the threat of unmet physical need to (re-)allocate resources and for that reason alone there always will be a social question in a market economy.

Unmet physical need is regarded as a social question, while unsatisfied wants, fancies, and cravings and unfed addictions are not, because unmet physical need threatens existence itself whereas the others do not. Failure on the part of the state to respond to physical need that is unmet by the private sector has profound implications for the social values of freedom, equality, and community and thus for the personhood of those in poverty. To illustrate, hunger destroys equality because begging for one's food subordinates the beggar to the provider. Illiteracy destroys community because it interrupts the communication that draws men and women together.

Poverty attacks the foundations of human dignity. By failing or refusing to provide help to these types of needy persons, the state denies that freedom, equality, and community are central social values. Further, the state would be casting aside the principle of subsidiarity as a requirement of the good society. Under those circumstances, any help that the state provides to the needy would be for instrumental purposes only. Addicts, for instance, would be treated not to free them from their addiction but to reduce the probability that they will engage in criminal or other antisocial activity to support their addiction.

Need fulfillment is not a replacement for the want satisfaction. Indeed, it is necessary in general to preserve want satisfaction because removing it means restricting freedom of choice and diminishing the individuality of human beings as consumers. Want satisfaction is the corollary of voluntary unemployment which is preserved in order to assure the freedom of and to protect the individuality of human beings as workers.

There is no authentic economics of poverty without the principle of subsidiarity because otherwise the needy who are helped are seen as instruments or threats and thereby are diminished as persons. However, with the principle of subsidiarity, the invisible hand of individualism is replaced not by the iron fist of instrumentalism but by the flesh-and-blood caring hand of personalize.

MARGIN, LIMIT, AND LIMITED WANTS[1]

In this section, the notion of unlimited wants is challenged by this author through a presentation of the principle of diminishing marginal utility which does not make "the margin" foundational to an understanding of consumer behavior. Rather, he substitutes "the limit" which has the effect of conceptualizing wants not as unlimited as is the case in mainstream economics but as limited.

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[1] This author owes much to Joseph Becker who first introduced him to the concept of the limit and the limiting case. Becker's *The Problem of Abuse in Unemployment Insurance* is a study in limits and a limited study [Becker, p. xviii].

The Margin.

"The margin" is a core concept that literally every instructor of economics employs and applies. In a discipline that is characterized by much heated disputation especially at the theoretical level, the margin is a concept that blessedly tends to unify not only the teaching of economics at every level and in every area but also everyone who teaches economics. Note, in this regard, that the magazine of applied economics that began publishing at the University of Colorado in the 1980s is called *The Margin*.

In a very real way, the margin is like a religious tenet. One is expected to treat it respectfully and indoctrinate the next generation as to its proper use and application. Most especially, one does not question its efficacy. To change the analogy somewhat, marginal cost, marginal utility, marginal productivity, marginal propensity to save, and such are like parts of the great litany of economics. Consequently, it is heresy to express doubts about its applicability particularly in the presence of the faithful.

Notwithstanding its centrality in economic analysis, the margin is not always defined even in standard principles textbooks. To illustrate, it is found in neither the index nor the glossary of the latest edition of Stiglitz's *Economics*, and Ragan and Thomas' *Principles of Economics*, or McConnell and Brue's *Economics*.

The main difficulty, at least as this author perceives it, is that the definition of the margin is clear only to those already familiar with the concept. This is so, he suggests, because the concept is learned best through use and application. Note, for example, how Miller's seventh-edition text proceeds to use the concept of the margin to present the principle of diminishing marginal utility.

> *As an individual consumes more of a particular commodity, the total level of utility,* or satisfaction, derived from that consumption increases. The rate at which it increases, however, diminishes as more is consumed [Miller, p. 512, emphasis in the original].

On the same page, in the margin of the text, Miller defines the principle as follows:

> The principle that as more of any good or service is consumed, its extra benefit declines. Otherwise stated, there are smaller and smaller increases in total utility from the consumption of a good or service as more is consumed during a given time period [Miller, p. 512].

Miller's meaning is not clear -- he is typical in this regard -- because it depends overly much on a concept whose meaning is manifest to those who use it repeatedly and routinely but not to those who encounter it for the first time. In other words, the margin is less an effective teaching tool in the principles course than it is one of the first steps in the professionalization of those beginning students who eventually enter the field of economics.

The Limit.

The challenge is to find language that clarifies the meaning of diminishing marginal utility at the same time preserving the concept of margin. In this regard, we recommend "the limit", a term which works more effectively with beginning students because students in general are more familiar with it and are experienced in its use. Indeed, such terms as speed limit and living on limited funds are part and parcel of the college student's life, while "my limit" has particularly emphatic meaning in terms of consuming alcoholic beverages. Further, the limit is not a foreign concept even in the principles textbook. "Limited resources", "the limits of growth", "constraints", for example, are commonplace in the principles course.

In this context, the principle of diminishing marginal utility may be re-stated in the following manner. When a person begins consuming a good or service, he/she experiences a large increase in total utility with every additional unit consumed. After a certain point (Limit I), he/she notices that the increase in total utility begins to diminish with every additional unit consumed. Consumption continues until the additional utility from one more unit consumed approaches zero. At that point (Limit II), the consumer experiences maximum utility.

In other words, consumer behavior is to be understood in terms two limits: Limit I is the unit consumed that is most satisfying of all and Limit II the experience of being fully satisfied. Both limits are illustrated in Table 1. Today, the person who continues to consume food beyond Limit II is described as "pigging out". Virtually everyone who consumes alcohol knows the practical meaning of both limits, especially Limit II which commonly is referred simply as "my limit". In a conventional exposition of principles to beginning students of economics, several other applications of the limit come to mind: price controls, import quotas, full employment, minimum average total cost, to name just a few. However, this is not the place to explore those concepts further.

TABLE 1.THE TWO LIMITS EMBEDDED IN THE PRINCIPLE OF DIMINISHING MARGINAL UTILITY

Price	*Quantity Consumed*	*Marginal Utility*	*Total Utility*	
$2.25	0		0	
		10		
2.00	1		10	
		11		<===================== Limit I
1.75	2		21	
		3		
1.50	3		24	
		2		
1.25	4		26	<====== Limit II
		-4		
1.00	5		22	

Limited Wants.

The orthodox proposition that wants properly understood are unlimited is indefensible, unnecessary, and unfortunate. It is indefensible in that the wants of the individual plainly are not unlimited. Rather, they are constrained physiologically, as suggested previously, and socially.

Parents, for example, routinely limit what their children may acquire. Spouses -- husbands it seems more so than wives -- regularly constrain one another. Dieting is a limitation on how much and what is consumed. As population increases, the sum total of all human wants also increases and is described properly as enormous, huge, vast, and the like. But those wants are not unlimited.

It is unnecessary in that the proposition itself is not fundamental to the market economy or to the discipline of economics. Consumers still are faced with the daily task of choosing the goods and services that they think will satisfy their wants and meet their physical needs. And, as Marshall put it and this author previously noted, economics still is about the ordinary business of living. The notion of unlimited wants, alongside the careful distancing from unmet need that one finds among mainstream authors, is unfortunate in that it effectively trivializes poverty and distances conventional economists from the severe economic development problems of most of the nations of the world and much of the world's population. The immense and growing affluence of the United States over the past 40 years, this author suggests, has desensitized many U.S. economists to the problem of unmet human physical need. Additionally, he suggests that the reason that Samuelson makes specific references to both wants and needs in his third-edition description of the tasks facing modern economic science is his own sensitivity to the human suffering that attended the Great Depression and World War II (see Samuelson, pp. 3-4). Table 2 summarizes the foregoing on human physical need, wants and limits, the principle of subsidiarity, and the duality of human nature.

UNLIMITED ECONOMIC RESOURCES

Economic resources, according to the conventional wisdom in economics, are limited. This author in general finds no fault with this proposition, particularly if economic resources are construed to include only material resources. However, if the meaning of economic resources is expanded to embrace caring or charity, it does not follow that economic resources are limited.

TABLE 2. NEED, WANTS, LIMITS, AND THE PRINCIPLE OF SUBSIDIARITY

Duality of Human Nature		Human Physical Need		Wants and Limits
		Absolute Standard of Need:		*Inwardly Identified and Limited:*
Individual Being	===>	need of the individual defined in terms of the g/s absolutely required for that individual's survival and minimal wellbeing	===>	the desired g/s are identified by the individual who looks inward to himself/herself subject to reasonable physiological limits
		Relative Standard of Need:		*Outwardly Identified and Limited:*
Social Being	===>	need of the individual defined relative to the g/s that others in society especially neighbors commonly possess and consume	===>	the desired g/s are identified by the individual who looks outward to family, friends, and others who at once define what is desirable and impose limits on the individual's freedom of choice

Principle of Subsidiarity:

If need of the individual is met even when choices are made unwisely, there is no need to differentiate human physical need from wants. If, on the other hand, individual need is not fully met even when choices are made wisely, wants must be differentiated from human physical need and, to the extent that individuals or private groups are unable to provide the required help, the state should intervene and provision the unmet physical need of that individual.

g/s: goods and services

In *Divini Redemptoris*, Pius XI refers to Christian charity as

> this divine precept, this precious mark of the identification left by Christ to His true disciplines, ... which teaches us to see in those who suffer Christ Himself, and would have us love our brothers as Our Divine Savior has loved us, that is, even at the sacrifice of ourselves and, if need be, of our very life [Pius XI, p. 311].

In *Sollicitudo Rei Socialis*, John Paul II refers to charity in similar language: "the distinguishing mark of Christ's disciples" [John Paul II, p. 75]. Leo XIII in *Rerum Novarum* explains the practical meaning of Christian charity.

> The substance of all this is the following: whoever has received from the bounty of God, a greater share of goods, whether corporeal and external, or of the soul, has received them for this purpose, namely, that he employ them for his own perfection and, likewise, as a servant of Divine Providence, for the benefit of others [Leo XIII, p. 26].

By caring we mean what Dempsey signifies by "putting oneself out for others" [p. 368]. Caring is the secular counterpart to Christian charity. Caring may be prompted by a sentiment such as the Golden Rule -- "do as you would be done by" -- or Kant's categorical imperative -- "act only on that maxim through which you can at the same time will that it should become a universal law".

With caring, human beings are seen as ends in themselves more so than means, as persons with certain inalienable rights that must not be violated, as equals. As to the question To whom does a human being belong?, with caring he/she is perceived as belonging to no one but self for as long as life lasts.

With Christian charity, human beings are seen as children of God the Father, made in His image and likeness, and as brothers and sisters of Jesus Christ whose incarnation as a human being and whose death ransomed them from sin and reconciled them to the Father and whose sacrifice established each one as precious beyond measure. With Christian charity, every human being belongs to God because every human being is created by God to live forever. For Christians the greatest commandment is "to love one another, especially those who despise you, as I have loved you".

In what follows, this author emphasizes Christian charity, or simply charity) because putting oneself out for others plainly is insufficient. For sure, caring may achieve micro-economic results that are similar to charity's in the short run. However, if the one truly is no substitute for the other, caring is not likely to maintain that micro-economic performance in the long run unless, of course, it evolves into charity.

Charity promotes goodwill, workplace solidarity, and the authentic marketplace bargain. The destructiveness of persons who are careless and indifferent in their work has been thoroughly documented in such forms as shoddy merchandise, demeaning service, unkept promises, and a bad reputation for the firm's product or service. The worker who is faithful to the demands of economic justice and charity, on the other hand, is known for long-lasting products, friendly service, commitments kept, and goodwill in the marketplace.

The careless worker, *ceteris paribus*, produces less value-added than the worker heartened by charity because the former fails to provide a fair day's work for a fair day's pay while the latter fully meets his/her obligations under justice. While use by the consumer typically depletes whatever value has been embedded in a given product or service, more real value is added by the fair-minded worker than by one who is careless and therefore more is available for the consumer's use.

The worker who practices charity, however, is more than just fair-minded. He/she routinely exceeds the demands imposed by justice and contributes this additional value-added voluntarily. The diligent worker's gift is prompted by genuine love for his/her fellow worker, employer, and customer. This excess value-added can be seized entirely by the employer in the form of a higher margin of profit or it can be given freely in full or in part, to the customer. If the excess value-added is given freely to the customer and is accepted graciously by that customer who explicitly acknowledges the bargain received (which flows from a seller who freely gives more than justice demands rather than from an undervaluation on the part of the seller), the excess value-added in effect is freely given back to its source. In this manner, the customer imbued with charity creates or enhances the real though intangible business asset known as goodwill. In contrast, the ungracious and unloving customer who accepts the gift but refuses or neglects to affirm the giver in effect loses an opportunity to contribute to this asset. The tragedy is that, with this holding back, nothing is kept, nothing is gained.

In the workplace, the gift of the worker who is motivated by charity creates a sense of solidarity or community only when the employer responds in similar fashion by giving it freely to the customer in the form of a bargain and the buyer responds by returning the excess value-added in the form of goodwill. Thus, as long as the excess value-added is freely given, it produces goodwill for the employer, a sense of belonging for the worker, and an authentic bargain for the buyer. If, on the other hand, it is hoarded, it becomes sterile and its fruits wither or never blossom at all.

Charity has a positive-sum constitution. The three value-addeds -- goodwill, workplace solidarity, and the true bargain -- are the products of charity. In that sense, charity is an authentic economic resource. Uniquely among resources and goods, charity cannot be conserved through nonuse and is not exhausted in the process of production or consumption. It produces solidarity in the workplace, the real bargain in the marketplace, and goodwill throughout the economic order *only when it is given freely.*

Human beings are unique as economic resources in a second, closely-related and more widely recognized manner. As with all economic resources that are living things, human beings are reproductive and, as with resources that are animals, human beings are subject to fatigue and are re-invigorated by means of regular periods of rest. However, human beings alone among economic resources are able to learn new skills and acquire new talents. In other words, for humans the very use of their skills and talents as instruments of work can lead to an enhancement of those skills and talents. For all other resources, *use signifies depletion.*

CLOSING COMMENTS

Several points regarding need, wants, resources, and limits bear repeating. First, human beings as consumers know the difference between a thing that is needed and a thing that is desired well enough to be able to order their lives as consumers accordingly.

Second, a need and a want are alike in that both are two-dimensional, reflecting the duality of human nature. Human physical needs are definable in absolute terms to incorporate human individuality and in relative terms to exemplify human sociality. Similarly, a want is identified by looking inward to one's own self as an individual being and by looking outward to others as a social being.

Third, wants are constrained by limits that are imposed from within the individual consumer and from without. The mainstream-economics proposition to the contrary is indefensible, unnecessary, and unfortunate.

Fourth, drawing need and wants together, rather than isolating the one from the other as is done in conventional economics, aligns the theory of consumer behavior closer to what is actually happening in the marketplace and the household.

Fifth, by introducing the principle of subsidiarity in the discussion of wants and need, economics is able to address the role of government in helping the poor as a central part of consumer behavior instead of examining consumer behavior and the state's obligation to relieve poverty as if they were entirely different domains.

Sixth, an economics based on the invisible hand of individualism seems to have more appeal in affluent societies such as Western Europe and North America. In the much poorer southern hemisphere an economics founded on the caring hand of personalism appears to make much more sense.

Seventh, and last, because of charity, the proposition that resources are limited is not entirely cogent. By viewing charity less as a virtue and more as a resource, one can demonstrate that goodwill, solidarity, and the authentic bargain -- the three important products of charity in the marketplace and in the workplace -- are created in a most unusual way. That is, there is no depletion of the charity resource through production or consumption provided the very special regard for others which identifies the bearer of this resource is freely given rather than astutely traded. Hoarding this resource effectively destroys it.

Finally, mainstream economics would do well to divorce itself from the Enlightenment perspective which only confuses students as to the authentic nature of need, wants, and economic resources, and to reconstruct itself around the Aristotelian view which would make it faithful once again to the economics of many of the principal figures in the discipline over the past 200 years.

A heightened awareness of the significance of the concept of the limit and, more importantly, a much greater awareness of the suffering of the poor people of the world would help hasten the day when the main body of professional economists participate in and accept the results of that reconstruction.

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