Review of Social Economy

ISSN: 0034-6764 (Print) 1470-1162 (Online) Journal homepage: https://www.tandfonline.com/loi/rrse20

Personalist Economics: Moral Convictions, Economic Realities, And Social Action

Edward J. O'Boyle

To cite this article: Edward J. O'Boyle (2000) Personalist Economics: Moral Convictions, Economic Realities, And Social Action, Review of Social Economy, 58:4, 539-552, DOI: 10.1080/00346760050204364

To link to this article: https://doi.org/10.1080/00346760050204364

Published online: 05 Nov 2010.

REVIEW OF SOCIAL ECONOMY, VOL. LVIII, NO. 4, DECEMBER 2000

Personalist Economics: Moral Convictions, Economic Realities, And Social Action

Edward J. O'Boyle
Mayo Research Institute
edoboyle@earthlink.net

"We will know more later"—Anonymous

Personalist Economics: Moral Convictions, Economic Realities, and Social Action evolved over my entire lifetime originating with my parents' teaching and modeling of certain fundamental moral convictions well before the start of my formal schooling. In that sense *Personalist Economics* is akin to a journal in which I have recorded what I have seen on my journey as a student through the discipline of economics and as a professional through the practical, everyday affairs of the economic order. It was only most recently, however, that I consciously connected my interest in human material need to my parents' own origins in the poorest part of Ireland—County Mayo.

There are two major types of problems with such a journal. First, my field of vision does not encompass the entire discipline. As with virtually every other graduate student of economics, my preparation was specialised wherein I opted for a primary concentration in labor economics: history of the labor movement, theory of wages, employment security, and labor force developments. Second, my understanding of what I have seen is flawed by my own human frailty. My vision, in other words, is far short of 20–20, and *Personalist Economics* suffers from my own near-sightedness. Clearly, the book would have been much improved had it been written by someone with a better-trained eye and with greater peripheral vision. For that reason, *Personalist Economics* is dedicated to William R. Waters and Joseph M. Becker, S J. because as their student I have become a great admirer of their superior vision in these matters.

The three contributors selected to comment on *Personalist Economics* for this review symposium—Peter Danner, Maureen Maloney, and Daniel Finn—bring their own personal convictions, formal schooling and preparation, professional experience, and vision to the task. Since each one is unique and capable, what

Review of Social Economy
ISSN 0034-6764 print/ISSN 1470-1162 online
http://www.tandf.co.uk/journals

they offer is highly personalised and valuable. For that reason, I would be poorly advised to attempt a direct reply to their remarks. It is better, I think, to let their remarks stand on their own and to try to frame my own in terms of what I see as the strengths and weaknesses of *Personalist Economics* in the hope and expectation that out of this symposium will emerge a better understanding of what *personalist economics*[1] is, a wider interest in articulating how it conforms to and departs from contemporary mainstream economics, and why it offers promise for a clearer vision of economic affairs and a stronger and longer-lasting foundation for economic policy. In effect what I am doing here is amending my journal based on more recently undertaken journeys through economics and economic affairs. These amendments, for sure, are not the final revisions I will make to *Personalist Economics*. My remarks below conform to the three-part organisation of *Personalist Economics*: premises, description of economic affairs, and economic policy.

PREMISES

The first and most important strength of *Personalist Economics* is that it rests upon and offers a different ideological foundation for doing economics and understanding economic affairs. It suggests re-thinking our premises, re-examining our description of economic, and re-assessing 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 in terms of 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. In Becker's well-chosen words ". . .it is precisely at this point. . .that the rabbit gets into the hat" (Becker 1961: 10).

In all honesty, I did not have *Personalist Economics* in mind when I set out on my journey. The book coalesced many years later when it became apparent to me that much of what I had published since the early 1980s had proceeded from premises which stood apart from the ones which are employed by virtually all neo-classical economists and the different premises which are foundational to the work of nearly all of my heterodox colleagues. It was not until the mid-1990s that

1 *Personalist economics* is my preferred expression because it emphasises that this body of work lies within the domain of the discipline of economics. Others are using *economic personalism*, which to me indicates a body of work primarily within the discipline of philosophy.

I realised that my premises were derived from my own understanding of personalism as articulated mainly by John Paul II through his various writings and encyclical letters. In a manner of speaking, I found a comfort zone in personalism many years before I began to understand what personalism is and means. Even today I can claim only a crude understanding of this philosophy and how it relates to economics. Thus, if the greatest strength of *Personalist Economics* resides in its premises, which derive from personalism, it follows that its greatest weakness resides in my still inadequate understanding of personalism and how it relates to economics and economic affairs. Even so, it is comforting to know that "we will know more later."

Most importantly, personalism has meant centering economics and our understanding of economic affairs on the person as opposed to the individual of neoclassical economics and the group or the collective of radical economics. This, in turn, means seeing economic agents as two-dimensional beings—individual and social—and no less the one than the other. This duality has most fundamental consequences. To illustrate, economic affairs are organised by competition and co-operation precisely because human beings are at once individual beings and social beings. Put differently, in the economic order human individuality is expressed through competition whereas human sociality is given expression through co-operation. Mainstream economics presents competition alone as the activating principle of economic affairs and radical economics offers co-operation alone as the energising principle specifically because both see human beings one dimensionally (see Chapter 6). Further, individuality and sociality shape the way we define and measure poverty. Without being explicit, advocates of the so-called absolute standard of poverty perceive humans as individual beings while proponents of the relative standard see humans as social beings. I recommend combining the two into a single standard which then would reflect both dimensions of the human beings whose poverty we are attempting to measure (see Chapter 9).

Personalist Economics pays much too little heed to a second type of duality of great importance for doing economics and interpreting economic affairs. Human beings are both matter and spirit, material beings and spiritual beings. The one corruptible, the other indestructible. Peter Danner's most propitious expression *materialized spirit* (Danner 1999: 4), along with his cogent explication of it, adds substantially to the premises of *personalist economics*. In this regard, I now see consumption, work, and leisure differently and with greater insight than in the past. It is simply the single most important improvement in my visual acuity as I journey once again through economics and economic affairs.

Having addressed the question "Who are we?" in terms of individuality and sociality and the question, "What are we?" in terms of matter and spirit brings us to the third question in this trilogy which has drawn the attention of thoughtful men and women for more than 2000 years: “Whose are we?” Conventional economics asserts that we belong to ourselves. Radical economics, on the other hand, insists that we belong to the collective. In the extreme, conventional economics takes a libertarian view of humans which liberates the individual from the clutches of the state and radical economics takes a totalitarian view which 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 (see Chapter 1).

However, unlike the way in which it differentiates itself from the mainstream and from radical economics on the premises *who* and *what*, *personalist economics* sets itself so far apart on the premise *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 which 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 marginalised and even excluded from the company of real economists. Even so, I am 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: 56)

Personalist economics orders economic reality in terms of the following human activities: producing, distributing, exchanging, consuming, saving, investing, credit creating, innovating, developing, and (re-)vitalising. Representing economic affairs in terms of 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 Chapter 2). The virtue of Christian charity is presented as a partner with the virtue of justice in protecting human well being in economic affairs. Christian charity has implications for describing and understanding economic reality, which is taken up in the following section. 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 marginalisation and exclusion that follows from the premise *whose* in personalist economics.

Finally, *Personalist Economics* proposes the premise that economic performance is to be judged ultimately not in terms of the efficiency of the economic system in utilising resources but in terms of its effectiveness in meeting human material need (see Chapter 1). This premise is neither new nor original with *Personalist Economics* and, though it stands apart from the position advanced by Lionel Robbins, which dominates mainstream economics today, I do not use it to cast aside the widely-affirmed efficiency criterion. Rather, I subordinate the efficiency criterion to meeting need on grounds that *how efficiently* necessarily is subordinate to and ought not be taken for the ultimate purpose of the system. This premise of mine traces to the work of the grand-pére of *personalist economics*—Heinrich Pesch—and pre-dates Robbins (see Mulcahy 1952: 13–35).[2]

DESCRIPTION OF ECONOMIC AFFAIRS

All of the human activities enumerated above—producing, distributing, exchanging, consuming, saving, investing, credit creating, innovating, developing, and (re-)vitalising—are activated (more or less) by the twin engines of competition and co-operation. *Personalist Economics* presents all of these human activities except developing and (re-)vitalising in considerable detail as means to the end of meeting human material need (see Chapter 6). The two aspects of human material need, physical need and the need for work as such, are set forth at greater length in Chapters 3 and 4, and innovation is addressed separately in Chapter 8. A third organising principle—intervention—is added to competition and co-operation, and each one is rooted in a specific social value, with each of these social values in turn grounded in one of the three principles of economic justice.

There are just *two* activating principles because there are only two human dispositions that can be called upon to energise human action in the economic order. The one is the human disposition to act individually for the individual rewards. The other is the human disposition to act collectively because individuals alone are not able to act as effectively as they can when they act together or because individuals alone are not able to act at all. The third organising principle of intervention functions in the limiting rather than activating mode because

2 *Solidarist economics* is the identifying term for Pesch's economics. I originally used that term for my own but abandoned it when it became clear to me that John Paul II's personalism had shaped my understanding of economic affairs most powerfully and that *personalist economics* had a better ring to it than *solidarist economics*, at least in the US. There is no doubt, however, that *Personalist Economics* originates in Peschian economics.

competition and cooperation carried to an extreme in the form of, say, dumping (excessive competition) or price-fixing (excessive co-operation) are harmful to human wellbeing. The three principles of economic justice provide the logical bases for the limits imposed by intervention.

Thus, *Personalist Economics* constructs a bridge between the premises it employs and how it proceeds in describing economic reality at its most elementary level. This presentation would have been strengthened by linking it metaphorically to the operations of a twin-engine aircraft wherein co-operation and competition are the two engines providing lift and intervention provides control and direction to economic activities just as the plane's rudder and stabilisers allow the pilot to maneuver the aircraft in safety. Further, the entrepreneur is the pilot in the sense of making decisions which determine course and destination. Finally, the investment banker fuels the aircraft with the credit necessary to start and operate the twin engines of competition and co-operation.

In characterising the various human activities which are central to economic affairs, I 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 capacity beyond which additional inputs result in actual losses of output. It also 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.[3] Another application relates to the limit imposed on credit creating in a partial-reserve system by the amount of excess reserves. A fourth has to do with the limit imposed on intervention, most notably federal-government intervention, by the principle of subsidiarity.

Even so *Personalist Economics* does not make full use of the *limit.* For instance, even though waste, resource depletion, and environmental contamination are touched upon (see Chapter 7, especially Figure 7.1), there is no mention whatever of the limit conveyed so fittingly by *carrying capacity*. Nor does *Personalist Economics* include the rootedness of the limit of capacity in the human body itself in the form of physical fatigue and exhaustion and in the human spirit in the form of boredom and the fundamental human disorder of workaholism. In like fashion, *Personalist Economics* does not recognise the limit on human consumption originating in the human disorder of compulsive buying or shopaholism. These weak points relate directly to a failure on my part to see and understand the role of matter and spirit in economic affairs which, as mentioned previously, is captured so well by Danner in *materialised spirit*.

3 "Pigging out" is a relatively new expression in the culture of the US, which indicates one's regret in going beyond the limit on consumption which the human body imposes.

The last four chapters of Part II of *Personalist Economics* deal with four life-events or human conditions relating significantly to human physical need: unemployment, poverty, homelessness, and death. These chapters give real substance to our premise that the performance of the economy is best defined and measured in terms of the goal of meeting human need and serve as a solid foundation for the development of policy recommendations. The central weakness of these chapters is that they use empirical evidence, which today is outdated, a weakness that in fairness attends all research of this kind with the passage of time. Along the same lines, even though Chapter 11 examines the question of the provision of death, in the more than 15 years since that chapter first appeared in the professional literature there has been a much greater acceptance of death as the answer to certain social ills which John Paul II has characterised as a *culture of death*. Thus, today there is an even greater urgency to re-examine care of the dying and the cost of that care not only in terms of the health-care delivery system itself but in wider cultural terms as well. Where this might lead, I find difficult to predict. But my instincts tell me that we should be following this line of investigation more vigorously.

A major weakness is that in *Personalist Economics* there is no mention of (re-)vitalising or developing. The second of these two omissions I can excuse as being entirely outside my field of vision. There is no such excuse for omitting the first, by which I mean the physical (re-)vitalising which humans require because the body is depleted by various human activities especially work, and the (re-)vitalising which the human spirit requires due to ignorance, neglect, or preoccupation with other human needs or wants. In this regard, I find mainstream economics' *leisure* entirely inadequate.

As to the physical dimension of (re-)vitalisation, there is an obvious and direct linkage to the production function. Capacity is determined importantly by the sheer amount of physical energy that the human body is capable of delivering at work. Continuing to work when one is fatigued or especially when one is exhausted leads to defective work and the additional cost associated with re-work. It also leads to workplace accidents and the added cost of healing the human body and of compensating the victims and their survivors for any economic loss or for any pain and suffering that follow.

The need for revitalising the human body is affirmed by employers providing break periods at work, *limiting* the hours of work per day and the number of days of work per week, by providing vacation leave, and other such practices. This careful regulating of human inputs matches the managing of capital inputs specifically in the form of preventive maintenance scheduling and capital budgeting for the replacement of worn-out equipment. This insight, which I regret is missing in *Personalist Economics*, opens our eyes to the fact that capacity in the production process is determined by the wearing down and wearing out of human inputs and capital inputs which has important implications especially in continuous production processes.

In the preceding section on premises, I mentioned that in *Personalist Economics* the virtues of justice and Christian charity are allied in protecting human well-being. Applied together, justice and Christian charity eliminate the ill-will, rip-off, and disorder which characterise the workplace and the marketplace in their absence, and foster instead goodwill, genuine bargains, and solidarity. Seen as a resource rather than a virtue, Christian charity is unique:

> It is the only resource that is free because it does not exist and does not create real value unless it is freely given. Additionally, charity is unique among economic resources because it is never exhausted through use and cannot be conserved through nonuse.
>
> [O'Boyle 1998: 28, 30)

There is absolutely no recognition among mainstream economists of the special character of Christian charity as an input. The reason should be self-evident.

As to the spiritual dimension of (re-)vitalisation, I refer to attending to the needs of the human spirit to know, to love, and to feel and experience beauty, though often these needs are more difficult to perceive than strictly physical needs. This insight too is Danner's as is the insight that these needs inevitably depend on the human consumption of goods and services (Danner and O'Boyle 1999: 5) as, for example, enjoying a live symphony broadcast requires prior purchase of certain listening equipment, knowing more about the universe likely calls for books which must be acquired in advance, camping with one's family in a scenic location entails transportation outlays and other costs, and so on.

Stockhausen underscores the importance of the needs of the human spirit by representing humans as works of art in process:

> Human beings are not automatically whole and complete. Their lives are more like works of art, in process toward becoming something whole and beautiful. If a work of art is left unfinished or removed from the artist's touch, if it is marred or vandalized, it becomes a grotesque caricature of what it could be. In the same way, human beings can break their relationship with their creator, or be disfigured by dysfunctional relationships, by substance abuse, or by seeing future possibilities closed off in dead-end jobs and inhumane working conditions.
>
> (Stockhausen 1998: 1673)

Consuming and (re-)vitalising 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-)vitalising and *being* are slighted. *Personalist Economics* would have been strengthened had I been much more attentive to these matters.

ECONOMIC POLICY

There are two central policy recommendations relating in the main to productivity as a central factor in economic security (see Chapter 12) and to co-operation as an activating principle for organising economic affairs (see Chapter 13). Both topics comply with the simple logic that policy follows description and is shaped by it, and both necessarily contain much of what is descriptive of economic affairs. *Personalist Economics* would have been strengthened with greater breadth of coverage in the policy domain. But my own professional experiences and my reluctance to say more than what I really know with some assurance counseled *limiting* my remarks to these two areas.

As to productivity, there are three lessons for policymakers. First, it is essential to disaggregate the productivity data because there are huge differences since the early 1970s. This point has been reinforced in a 1999 *Business Week* article on productivity and what the magazine's editors call *the new economy* (Mandel 1999: 92). Second, there is more to success of the individual firm than the efficient utilisation of resources. Innovation matters very importantly. Third, since the 1960s major earthquake-like tremors in the form of new affirmations and confirmations of individual rights, constitutional crises and political assassinations, along with the ongoing information revolution and huge numbers of mergers, acquisitions, liquidations, and bankruptcy filings, have shaken the foundations of every institution in the US including those which form the basis of the US economy. The changes triggered by these shockwaves in turn have impacted productivity in the private sector and thereby the fortunes of untold numbers of workers, families, and companies, making some, breaking others. If there is a weakness here, it relates to the fact that my presentation of the relevant information is not rendered in the econometric form so popular among conventional economics and so widely taken as indicative of authentic scholarly work.

As to co-operation, *Personalist Economics* presents two distinct types: supra-firm alliances and inter-firm partnerships. The first refers to associations of private firms and others constituencies such as unions, formally instituted and voluntarily entered, to deal with problems common to all the involved parties but difficult or impossible to resolve through individual action alone. An inter-firm partnership involves two or more independent firms co-operating to address shared problems by means of working arrangements which are far less formal than the supra-firm alliance. Such differences apart, both types of co-operation serve the same overall goal of resolving problems which cannot be dealt with effectively by the parties involved or cannot be resolved at all by those parties. For both types, *Personalist Economics* presents three specific cases based on personal first-hand experiences.

Therein lies both the strength and the weakness of the handling of this subject in *Personalist Economics*. The six cases presented show co-operation used to manage practical, everyday, marketplace and the workplace problems in ways that produce positive-sum outcomes. In other words, there is more to activating economic affairs than just competition and cooperation is not always and everywhere collusion. The weakness is that no doubt there are many more cases of this type of cooperation which should be documented to drive home the points underlined in *Personalist Economics*. In this regard, I am pleased to take note of the recent special report on the subject of alliances published in *Business Week* (Sparks *et al*. 1999: 106ff).

CENTRAL TENETS OF PERSONALIST ECONOMICS

The final chapter of *Personalist Economics* addresses the challenges ahead and therefore is forward looking. This is neither a strength nor a weakness *per se*. It supplies a rough map of the territory to be covered anew and some suggestions as to where to begin and how to proceed. At the time, it seemed the best way to finish my remarks on *personalist economics*. And I likely would have finished the same way were I undertaking the project today.

Even so, something important is missing. Specifically, what has been overlooked is a backward-looking survey of the ground covered in my journey through economics and economic affairs. This seems to be the best way to conclude my remarks on *personalist economics* and my book on the subject. Were *Personalist Economics* being written today, the following would have formed the central core of the next to last chapter of the book.

Personalist economics is a different way of thinking about economic affairs. Four of its basic tenets are premises that Waters articulated more than ten years ago: institutions, person, uncertainty, and status. I should have been more attentive to his insights while *Personalist Economics* was in preparation especially since he contrasts them with the four corresponding premises of conventional economics: law of nature, individual, certainty, and contracts (Waters 1988: 113–120). I begin with those four premises. There is no particular significance to the order of presentation of the others:

(1) *Decision making centers around institutions*. In conventional thinking, the economy is self-regulating wherein any intervention on the part of the government is regarded as a departure from the efficiency of the market system. *Personalist economics* replaces the law of nature with institutions and social groups at the center of decision-making wherein government intervention is seen in a positive light.

(2) *The human person is the basic unit of the economic order.* Mainstream economics rests solidly on the premise of the individual as the basic unit of the economic order who is governed by the law of nature and acts in a rational, self-interested manner to maximise personal satisfaction. The common good is achieved by each individual pursuing his/her own self-interest by means of self-regulating impersonal forces of the market or simply *the invisible hand*. *Personalist economics* sees as the basic unit of the economic order the person who in terms of being is both individual and social and in terms of nature is both matter and spirit. At times, humans act according to the premises of mainstream economics, and at other times they act in ways which are neither totally self-interested and utility-maximising nor irrational for being less than completely rational. The common good is achieved by means of *the visible hand* of human beings acting collectively and, following the principle of subsidiarity, through private organisations before turning to government for help.

(3) *Economics is a normative discipline*. To mainstream economists, human reason unlocks the mysteries of the economic order which are expressed with certainty in determinate models, giving their economics the aura of an authentic positive science like physics. In *personalist economics*, the principle of certainty is not accepted. Some indeterminateness is inevitable because human beings are not entirely knowable and their behavior is not completely predictable. Further, human beings alone are moral agents, because humans alone have the intelligence and free will to make ethical choices. Economics therefore is a normative discipline, one which is value-laden as opposed to value-free. The challenge to the working economist in this regard is to know the difference between the facts discovered through systematic inquiry and the values which one attaches to those facts.

(4) *Human beings are sacred with rights originating in their very nature*. According to conventional economics, human behavior is assumed to be contractual in nature as for example in the sales contract and the wage contract wherein Pareto optimality is achieved by contractual negotiations. Voluntary exchange reinforced contractually is at the very core of a contemporary neo-classical economics, which is returning to *laissez-faire* as the ideal economic order. *Personalist economics* insists instead that humans are sacred and therefore have a status in economic affairs wherein their inalienable rights are more fundamental than contracts. They are ends in themselves and never to be seen merely as inputs to be valued instrumentally. However, every human right which has some bearing on economic affairs has its counterpart duty (see Chapter 14).

(5) *Meeting the needs of the human body and spirit is the ultimate purpose of*

an economic system. Mainstream economists construct economics around things and thus the efficient utilisation of economic resources is the primary criterion by which the performance of an economic system is to be judged. In *personalist economics* human beings matter more than things and for that reason meeting the needs of the human body and spirit is the ultimate criterion by which an economy is to be assessed. *Personalist economics* perceives consumption, work, and leisure more broadly than does mainstream economics. Goods and services are consumed to meet not just the needs of the human body but inevitably certain needs of the human spirit. Work is for the dual the purpose of: (1) earning the income necessary to acquire the needed and desired consumer goods and services; and (2) becoming fully human by meeting the need to belong and the need to utilise and develop creative skills and talents. Leisure is not just what one does but what one is becoming, and as with work, leisure is seen in a communal and an individual context. In *personalist economics*, *having* matters less than *being*: the things one owns are less important than the person one is becoming. In this regard, *personalist economics* affirms the preferential option for the poor: those who are neediest are to be served first.

(6) *Justice and Christian charity protect human well-being.* The virtues of justice and Christian charity are twin bulwarks protecting human well-being. The three principles of economic justice—equivalence, distributive justice, and contributive justice—specify the duties which apply to buyers and sellers in relating to one another, to superiors in relating to their subordinates, and to an individual in relating to any group to which he/she belongs. These duties, if faithfully executed, protect human well-being by curbing the destructive human tendencies activated by competition and cooperation. Christian charity goes beyond the passive Kantian imperative to not view humans as mere instrumentalities, requiring each follower of Christ to actively affirm every human being as a person. Christian charity, along with justice, eliminates the ill-will, disorder, and ripping off which is common to a marketplace and workplace in their absence, replacing them with goodwill, solidarity, and authentic bargains. Christian charity alone among economic resources perishes and has no value when it is held. Rather, it comes alive and takes on value only when it is given away, and uniquely is never depleted by use. Neither of these virtues is included in the conventional economics way of thinking.

(7) *Three principles organise economic affairs: competition, co-operation, and intervention.* The first two activate economic affair by different human dispositions. Competition is based on the human disposition to undertake certain activities individually for the individual reward to be gotten from

completing those activities successfully. Co-operation derives from the human disposition to undertake certain tasks collectively because they cannot be done effectively by individual effort alone or cannot be done at all by such effort. The decision to use competition is to organise economic affairs around the Many (individuals). The decision to use co-operation organises economic affairs on the basis of the One (group). Intervention operates in the limiting mode and often involves government action to curb certain destructive human activities energised by competition or co-operation. To protect human well being, such intervention is to be grounded in the virtues of justice and Christian charity. Cooperation is largely ignored by mainstream economics as an organising principle except when it is taken for collusion.

(8) *Three social values underlie the three organising principles*. Each one of the three organising principles for organizing economic affairs rests on a different social value. In the absence of these values in society as a whole, the principles cannot be used effectively or used at all. Competition depends on the social value of individual freedom. If individuals are not truly free to act they cannot compete. Co-operation rests on the social value of teamwork, community and solidarity. Without that value being widely shared across society, collective action cannot be undertaken. Intervention rests on the social value of equality in the sense that it is necessary for collective action to stop the powerful from subordinating and exploiting the weak. A *laissez-faire* economic order backed by neo-classical economics is based on the social value of freedom *from* government restraint better known as liberty. In *Personalist Economics*, freedom means freedom *to* act.

(9) *Dynamic disequilibrium rather than static equilibrium is the order of the day*. Mainstream economics represents both microeconomic and macroeconomic affairs in terms of a static equilibrium of supply and demand wherein the self-regulating forces of markets bring the system into balance by the systematic clearing away of any and all surpluses and shortages. This view of economic affairs has been characterised as mechanical. *Personalist economics,* on the other hand, represents economic affairs as organic wherein the economy is driven dynamically toward disequilibrium by innovational change—creative destruction—which depends critically on the support of credit-creating financial institutions. The difference is between the centripetal-like impersonal forces of the market bringing the system to rest and the centrifugal-like human energy of the entrepreneur initiating change and triggering unrest in the system.

(10) *Some limits inhere in economic affairs and others must be imposed because humans are materialised spirits*. Human materiality assures certain

physical limits regarding consumption and work. The human body can consume only so much in one sitting so to speak, and can work continuously only for some fixed number of hours without rest. In like fashion, capital equipment cannot be run continuously without maintenance before it breaks down. Further, without other limits on what and how much we consume, on how long and how hard we work, and how much we allow for or indulge in re-vitalising activities (leisure), limits which reside quietly in the human spirit, our development as human persons is arrested or misdirected. The three principles of justice provide useful and effective limits on consumption, work, and leisure, and their faithful practice contributes powerfully to the realisation of the full potential of every human being.

As with the order of presentation, there is nothing fixed about the number of central tenets in *personalist economics*. The ones enumerated herein I think will pass the test of time and endure. As to any others, as stated previously, we will know more later.

REFERENCES

Becker, J. M. (1961) *The Adequacy of the Benefit Amount in Unemployment Insurance,* Kalamazoo: The W.E. Upjohn Institute for Employment Research.

Becker, J. M. (1991) "Looking Back from the Last Turn in the Road," *Forum for Social Economics*, Spring 20(2): 50–56.

Danner, P. L. (1999) "A Personalist Economic Philosophy," in E. J. O'Boyle (ed.) *Teaching the Social Economics Way of Thinking: Selected Papers from the Ninth World Congress of Social Economic*, Lewiston, NY: The Edwin Mellen Press.

Danner, P. L. and O'Boyle, E. J. (1999) "Personalist Economics Is Human Economics Because It Puts the Human Person At the Center of Economic Affairs," *Forum for Social Economics*, Fall 29(1): 47–61.

Mandel, M. J. (1999) "The Prosperity Gap," *Business Week*, 27 September, pp. 90ff.

Mulcahy, R. E. (1952) *The Economics of Heinrich Pesch*, New York: Henry Holt and Company.

O'Boyle, E. J. (1998) *Personalist Economics: Moral Convictions, Economic Realities, and Social Action*, Boston: Kluwer Academic Publishers.

Sparks, D., Grover, R., Weber, J., Barrett, A., Brady, D. and Coy, P. (1999) "Special Report: Partners," *Business Week*, 25 October, pp. 106ff.

Stockhausen, G. (1998) "Leisure in the Economic Thought of John Paul II," *International Journal of Social Economics* 25(11/12):1672–1683.

Waters, W. R. (1988) "Social Economics: A Solidarist Perspective," *Review of Social Economy* 46(3): 113–143.