

Chapter 2. A Brief Overview of Recent and Conventional Thinking in Economics

Summary: Because of the harm resulting from conventional economics (left or right), the lack of integration among recent ideas, and the ignoring of important issues, a radical rethink of economics is needed that goes deeper than merely addressing problems but is guided by good philosophy.

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Economics, in both theory and practice, contributes to much harm in the world (see Chapter 1) and even its own terms does not work well. In response, a plethora of ideas has arisen to address problems, over 500 such ideas, according to one estimate. Which ones are of value? And are there insights in conventional economics that are of value, or should we utterly reject them all? In this chapter we look briefly at this plethora of recent ideas and the range of problems they try to address, to identify their main insights and weaknesses, but also we then look at some of the insights afforded by conventional economics. (By “conventional” we mean both left- and right-leaning economics, both capitalism and socialism.) Then we suggest a way forward.

2-1. Overview of Recent Ideas

Summary: Recent ideas on the economy and many and disparate, yet each contains important insights and weaknesses.

This section presents a summary of some of the concerns that various recent thinkers have over conventional economics (“recent” including a few from half a century ago, but mostly since 2000). Though far from comprehensive or complete, this rather random selection of concerns shows why understanding of the economy and all economic activity needs widening. There seem to be two main broad streams of critique, economics as isolated from wider life and reality, and inconsistencies within economics itself (and of course they overlap).

2-1.1 Economics as Part of Wider Reality

Summary: Many many contributions over the past couple of decades have been about how economics is too narrow and should take other kinds of value and other aspects of life into account.

We start with Mark Carney, ex-Governor of the Bank of England, whose 2020 Reith Lectures gave birth to the RLDG and this Rethink. His ideas were published as a book, *Value(s)* [Carney 2021], in which he cites [p.3] the following parable given by Pope Francis during an economists’ meal:

“Our meal will be accompanied by wine. Now, wine is many things. It has a bouquet, colour and richness of taste that all complement the food. It has alcohol that can enliven the mind. Wine enriches all our senses. At the end of our feast, we will have grappa. Grappa is one thing, alcohol. Grappa is wine distilled.

Humanity is many things - passionate, curious, rational, altruistic, creative, self-interested. But the market is one thing: self-interested. The market is humanity distilled.

Your job is to turn the grappa back into wine, to turn the market back into humanity.”

Throughout his book he shows there are many **values we hold as a society** that economic value does not capture, especially when measured by money. In the final chapter he lists some: “responsibility, fairness, integrity, dynamism, solidarity and resilience” [p.519]. To build up to this, he discusses three major crises of this century, the Credit Crisis of 2008, the Covid Crisis of 2020 and the present-and-worsening Climate Crisis, to argue what is wrong in economic theory and practice and why it is necessary for economics to recognise multiple kinds of value. He criticises current economics, and especially GDP, which is too often misused as a surrogate measure of a nation’s quality or at least the health its economy, for ignoring all but financial value. These other kinds of value need to be brought back in.

Sadly because these values are only listed in his final chapter, Carney does not argue explicitly why those values are the ones to bring back in, nor discuss with any clarity their nature as values. So we cannot understand their dynamics nor know whether he missed any values that are important. We offer a basis for doing so.

As RLDG discussions proceeded, **other ideas and authors** were mentioned, which we began investigating. They, and others encountered while developing this Rethink, are discussed briefly in this section, to highlight some of their main concerns and also to outline some of their weaknesses. They are presented in no particular order, and more detail is available, along with other views, in <“overview.views.html”> *Overview of Approaches*.

What has been dubbed **Happiness Economics** has been practised in the Kingdom of Bhutan for some decades to steer their economic and political decisions. It brings the happiness of its citizens into the equations and calculations of the national economy, thus partially fulfilling Carney’s call to bring other issues back into economics. The problem is that happiness is ill-defined and difficult to measure Skidelsky & Skidelsky [2012].

Likewise, Partha Dasgupta wants to bring **biodiversity** into the calculations used by the UK Treasury, so that national economic policy will begin to take biodiversity into account, and no longer treat it as a free unlimited resource to be plundered and destroyed. He argues for **natural capital** to be included alongside economic and social capital when measuring value, and that, unless we look after natural capital, the economy will suffer. The **SNA2025 exercise** goes further, trying to find ways of including, in national accounts, not only biodiversity, but climate, wellbeing more generally, digitalization and globalization, all of which have not been adequately addressed. These laudable efforts, however, are restricted by the inherent limitations of quantification (see Chapter 5, Section 4) and, especially Dasgupta, as still too narrow in their outlook, as we discuss in <“econ.biodiv.html”> *The Economics of Biodiversity*.

Sebag’s *Natural Order of Money* asks “Why do we in our modern society expect food as if it were a given?” We are **embedded in nature**; the “vital importance of the farmer and the food”. With this question, he introduces the idea of **mindset** that pervades society and the way we treat economics (Chapter 4 §5), and the need to **reconceive money** as “the intrinsic relationship between people, money, and nature” (c.f. Chapter 8 §3). But we need to extend the discussion beyond food. (x Matthew 4:4 x) Others are also concerned about this, for example about how farmers, who should be stewarding the land they are responsible for, for growing food and maintaining ecology, use it for non-food money-making such as horses, sports or selling land for housing.

Various indices have been proposed as alternatives to GDP. The **Human Development Index (HDI)** brings three core, measurable values together: life expectancy, education and income per person. It has been criticised not only for

measurement errors, for focussing only on national rather than global measures, but also for ignoring ecological and planetary problems like climate change, as well inequality and unemployment. (And it ignores happiness.) Various adjustments have been made in an attempt to bring these in, such as the Planetary Pressure Adjusted HDI and the Inequality HDI, but one gets the impression that just adding issues as criticisms arise is not the best solution, because it “grows like Topsy” in an uncoordinated way, in which inconsistencies and double-counting will abound. And still other issues that happen not to have been expressed in criticism will be overlooked. There is a **problem with coverage** in most such indices, which is discussed in Chapter 5.

Some values or issues are **hidden**, as set out in Levitt & Dubner’s *Freakonomics: A Rogue Economist Explores the Hidden Side of Everything*, which argues how the economic aspect applies to all life. In response, this Rethink takes an ‘everyday’ and multi-valued perspective, as set out in Chapter 3 and pays attention to what is hidden.

The United Nations **Sustainable Development Goals (SDGs)**, 17 of them, are laudable, with fairly wide coverage. But what tends to happen is that nations or companies or organisations tend to pat themselves on the back for fulfilling three or four of them, when in fact all 17 need to be furthered. Whereas HDI may be criticised for coverage, SDGs may be criticised for **how they tend to be used**. It is tricky to hold 17 seemingly disconnected goals in mind at once; our philosophical framework is of 15 aspects that are connected and intuitive.

In both HDI and SDGs we see the **problem of mindset** that Sebag mentions. Development is the main aim of both HDI and SDGs, whereas in fact many valuable factors do not depend on development and development does not necessarily enhance them, among them ecological biodiversity, happiness and attitude. Moreover, a focus on unemployment (as the thrust of one criticism of HDI) presupposes the necessity of paid employment for a fulfilled and good life - thus ignoring and disrespecting the vast amount of **unpaid activity** that is nevertheless of value, including economic value, which includes voluntary action, work at home and caring, which is especially prevalent in the Global South. SNA 2025 recognises this and is working out ways to bring unpaid activity into national accounts, but there seem to be little other discussion of it (see Chapter 5). In both there is a presupposition of money and the unquestioned faith in ‘development’, usually as conceived in the Global North.

The idea of **Wellbeing Economics** is promoted [e.g. WBA 2022] and discussed [e.g. Goodwin [2023]], as wanting the goal of economics to be the increase of wellbeing, such that a healthy economy is one that fulfils that. Their primary motivation seems to be to get beyond GDP. Goodwin includes “physical needs”, security, happiness, realizing one’s potential, sense of meaning, fairness, freedom, participation, good social relations and ecological balance as elements of wellbeing, and discusses what it takes to move towards fulfilling those - a welcome wide selection. One advantage of Wellbeing Economics is that a number of smaller nations (e.g. Scotland, New Zealand) are already claiming to use these ideas in their policies, so already **experience** has been building up. But we need something that will be taken up by the **bigger nations too**, facing up to their rivalry for dominant positions. Such lists as Goodwin offers are contested and there is no sound basis for deciding **what constitutes wellbeing**; we offer one.

Wellbeing Economics expresses the values of the **affluent Global North** rather than those of the Global South. **Amartya Sen** has developed a set of issues more relevant to the Global South, including poverty, inequality, dignity, development, social choice, freedom, justice and more, all collectively called **Welfare**

Economics. The problem that faces us is how to bring both into a large picture, and one that has teeth when either side complains. In Chapter 3 we offer a philosophical ontology combined with inherent normativity to do just that, along with recognising the need for something more compelling than philosophy or science can be: insights from religious perspectives.

Felber & Hagelberg's [2017] *Economy for the Common Good (ECG)* wants to "Change Everything" in order to reduce **inequalities**. So have many others, throughout the past century, such as Martins' *Cambridge Economic Tradition*. Andrew Hartropp (*God's Good Economy*) takes a similar concern from a Christian perspective: injustices can result from economic activity, especially poverty. Too often, however, inequality is **reduced to its economic aspect**, especially income. Abhijit Banerjee's *Poor Economics* addresses **poverty** more widely, bringing economics into conjunction with other fields and urges us to **listen to the poor** themselves, because what they have to say often goes against standard thinking. But, again, on what basis do we judge which of those take precedence, and when? Since we choose to value pre-theoretical as much as theoretical thought, and everyday experience as much as theories and rules (see Chapter 3), we critically listen to both within the same multi-aspectual philosophical framework, taking account of differences in culture.

All this becomes important in several thinkers who recognise we need a deeper change than merely different models, theories, laws and policies: we need a **change in culture** within and towards economics. As Rutger Bregman [2017] puts it in *Utopia for Realists*,

"Dangerously dysfunctional long before the 2007-08 financial crisis, modern capitalism is making us depressed, indebted and spiritually bereft. ... A culture that encourages us to spend money we don't have on stuff we don't need, in order to impress people we can't stand. Then we go and cry on a therapist shoulder. That's the dystopia we live in today."

He makes the case that we need a change of culture - as do Gus Speth [2013] who calls it a "spiritual and cultural transformation" and Ted Trainer [2022] who calls for "kindness and conscientiousness", and sundry other thinkers.

But what constitutes a culture change and how do we bring it about? These are only weakly discussed. Bregman, for example, merely advocates universal basic income, a 15-hour workweek and no borders. Trainer stresses information, argument and education as a way to achieve this - but then argues it merely in terms of the traditional self-interested rational economic actor (of which more later): hardly a culture change. Both Bregman and Trainer aim their criticism at **capitalism**, but does not **socialistic** economics also require a culture change? This seems to be seldom discussed (except by anti-socialists). Our Rethink goes deeper than taking one side or the other, seeing both as problematic at deep cultural levels, and even that there is this split is problematic. We suggest a more specific understanding of culture that goes deeper than many, and certainly deeper than that split, in terms of functioning in the ethical and faith aspects of reality at both individual and societal levels, as attitude and mindset. We argue why policy, education, etc. are insufficient, and discuss what is needed for sustainable culture change (Chapter 6).

Environmental economics has grown in importance since the 1970s, and much of it recognises that a change in culture is needed. Early versions ignored issues of poverty and justice for the poor, often because, in introducing a new paradigm, they were focusing on working out its shape. Those were rightly criticised for this (and many anti-environmentalists still boringly harp back to those early days), and environmental economics now does take these very much into account. Oloi Laurent (*New Environmental Economics*), for example, is

motivated by unsustainability (economics does not do justice to the environment) and an “inequality crisis” (economics benefits the few). He wants to link economics, physics and justice/ethics in a “just transition” that minimises the use of natural resources.

Sadly, some environmental economics has moved too close to anti-capitalism. While capitalism certainly is problematic, we take a more **holistic view**, as do some others, in which socialist and anti-capitalist economics are also found wanting. With some others [e.g. Polanyi 1944/2001], we call for economics to understand its **embeddedness** among other spheres of life, including environmental ones [Note: Polanyi’s ‘disembeddedness’ and Hayek’s counter-argument]. This echoes Carney’s call for economic value to express the wide range of other kinds of value.

An echo of the call this this may be heard in Marianna Mazzucato’s *Mission Economy*. She calls for economic policy and practice to be driven and motivated by high purpose - economics should have **purpose and meaning beyond economics** itself. She cites the mission that was the 1960s moonshot mission, which motivated innovation and productivity, and calls government and ‘industry’ to partner better. But the world needs more than technical achievement today. Our call for embeddedness is based on philosophical awareness of a wider range of aspects that include the ecological, ethical and faith aspects as well as the technical and social.

One of the best-developed recognitions of embeddedness so far might be Kate Raworth’s [2019] *Doughnut Economics*. The doughnut is a metaphor for two concentric circles that express the abstract idea that economies should ensure that societies do not drop below the “social floor” nor exceed the “ecological ceiling.” The social floor comprises twelve elements (energy, water, food, health, education, income and work, peace and justice, political voice, social equity, gender equality, housing, networks) and the ecological ceiling 7 (air pollution, ozone layer depletion, climate change, ocean acidification, chemical pollution, nitrogen and phosphorus loading and freshwater withdrawals). She wants to recognise environmental limits while ensuring a decent standard of living for all. Economic growth is ‘allowed’ between those two limits.

She objects to defining economic growth as increasing GDP; the “21st century economist” needs to “think differently”:

- ◆ *Change the Goal, from GDP to Doughnut.* Rather than aiming for unlimited economic growth (ever-increasing numerical measurements of affluence), place a ceiling on economic growth, and a floor underneath it.
- ◆ *See the big picture*, not just a self-contained market.
- ◆ *Nurture humans*, rather than assuming “rational economic man”.
- ◆ *Get savvy with systems*, rather than assuming market equilibrium.
- ◆ *Design to distribute*, instead of assuming that economic growth will even things up and solve our problems (e.g. provide enough money for all humans to have a suitable life).
- ◆ *Create to regenerate*, rather than assuming that growth will provide the resources to solve all problems.
- ◆ *Be agnostic about growth*, rather than addicted to it.

Though *Doughnut Economics* might be one of the most developed frameworks to incorporate other spheres of life, it (of course) has limitations or flaws; see our <“doughnut.html”>discussion of *Doughnut Economics*. Since many other ideas exhibit similar flaws, they are worth elaborating here. Some are practical:

- ◆ Why can we assume that the ecological ceiling is higher than the social floor, given expectations of those in affluent cultures, whose ecological footprints are between 3 and 5 Earths?
- ◆ It fails to recognise responsibility and also human selfishness, and the impact that attitudes and mindsets have on people's economic activity at all levels.
- ◆ It does not adequately differentiate harmful from good economic activity.
- ◆ How will its goals be achieved, given selfishness, resistance, etc.

Some are theoretical problems:

- ◆ What is missing from the components of social floor and ecological ceiling?
- ◆ How can we properly measure where an economy lies between the floor and ceiling, or above or below it? (The Doughnut community do actually make some attempts at this, at least to stimulate discussion.)
- ◆ Being an attractive, easy-to-grasp metaphor, might this distract us from the work of properly understanding economics and its complexities?

Relational Economics [Wieland 2020] is concerned that economics ignores relationships of **responsibility** etc. among economic actors, and also perhaps that economics as a field should relate more to other fields - similar to Carney's call for economic value to express all human values. Similar ideas are found in *Economy of Communion* and '*Civil Economy*' by Bruni et al. Yet an emphasis on relationships and responsibility, while vitally important, needs more, including understanding what kinds of relationship and responsibility there are, the difference between good and evil (harm), and what the mandate of economics is. Some things cannot be seen as discrete relationships, especially things like attitude. We discuss these in several chapters.

The ideas of **Sharing Economy** and **Gift Economy** go further, and perhaps do recognise attitude. Sharing should replace, or at least complement, competition and giving is as important as selling. These ideas were perhaps excluded from economics centuries ago by Adam Smith, who argued against relying on mere "beneficence" as a way to supply all with the "necessities and conveniences" of life. But they have their place and now need to be reincorporated into the core of economics - not least because of the acknowledged importance of the so-called voluntary sector and, as we have mentioned earlier, unpaid work. They are active in the Global South especially but go unrecognised as economic factors.

These ideas are echoed in *Economics of Mutuality* and by [Roche & Jakob 2017] in their *Completing capitalism: Heal business to heal the world*. This makes explicit at least three issues for us, which cut across recent ideas. One is: **can capitalism can be 'healed'**? We take a critically embrative perspective (Chapter 3). One is that economic activity including business **affects all** that occurs in the world (discussed in Chapter 6). A third is the idea of **good and evil**, implied by the idea of healing. The idea that there is something wrong and needs to be healed is implicit in almost all the recent thinkers so far mentioned but seldom discussed explicitly. Sedlacek [2011] makes this even more explicit in his *The Economics of Good and Evil*. We discuss this in Chapter 7.

Too often economics and politics ignores **the mundane** and promotes only the exciting and iconic. *Foundational Economics*, of the Manchester Collective, is concerned that nearly half of all goods and services, and the labour paid to produce them, are ignored and their value is under-appreciated. Such "mundane" economic activity provides a foundation that should be given more respect and attention. The Welsh government is adopting Foundational Economics. Mohammed Yunus' idea of **Microfinance** is a practical outworking of this, making

tiny loans to people in Bangladesh to 'get on their feet' by establishing a business, which enables them to repay the loan. Jim Ouko's *Participatory Market Systems Development (PMSD)* wants to get markets to work well in rural situations in developing countries. "PMSD looks at the whole chain, everyone involved".

Most thinking in economics ignores **religion and beliefs**. Mueller's *Redeeming Economics* returns to Aquinas' Scholastic ideas to emphasise relationships and love as central to economics, which, he says, have been lost to economics since Adam Smith. As we have just mentioned, it is important to regain these but, being rooted in Scholasticism with its sacred-secular dichotomy, this might not be a sufficient foundation for understanding the secular realm that is economics. Kathryn Tanner's *Christianity and the New Spirit of Capitalism* brings a welcome Christian perspective into the discourses in economics. She offers an antidote to Weber's Protestant Work Ethic that derives not from rejecting Christian ideas (as many anti-Weber thinkers do) but from their very heart, especially its focus on "relationships with oneself and others" and its idea of a glorious future hope for all Creation. She discusses ways in which a person's commitment to God is related to the person's more mundane commitments. One weakness in her idea is that her motivation is negative, to counter Weber and Capitalism, rather than positive, to understand economics as a whole, including valid insights that might be found in Weber and Capitalism. In this Rethink, we prefer to welcome and "embrace" insights from all thinkers and systems of ideas. McMullen's *What Difference does Christianity Make to Economics?* makes the useful contribution of trying to overcome the Capitalist-Socialist conflict using Christian principles.

The RLDG first looked at '**Christian Values**' as a foundation for the Rethink, but found them insufficient on their own. For example, when considering debt, how does one balance the Christian value of grace with justice, or even the 'realities' of economic life? In fact, values alone do not offer an understanding of the specific nature, role and mandate of economics but rather provide norms to guide these. Instead, we discuss in detail what valid contributions religion and Christianity might make to economics, without dominating it, and find nine (Chapter 3).

2-2.2 Recent Contributions About Economics As Such

Summary: Some recent thinkers have focused on the inconsistencies and flaws in economics even from its own perspective.

All the above thinkers have sought to bring other spheres of life and other values into economics. Another set of recent thinkers has **focused on economics** as such, highlighting inconsistencies and irrationalities therein. While most of the former discourse goes back a couple of decades, the latter goes back further. Much is about economic growth (which Raworth also addressed).

It will turn out, in the main chapters, that most of the problems arise either from misunderstanding the fundamental nature of the economic aspect of reality itself or from ignoring other aspects of life, which actually play a part in economic activity but are often hidden. (The latter, of course, links with the discourses mentioned above.)

We discuss only a few concerns about economics as such, to show how we deal with them, often by exposing presuppositions; readers can add their own examples. Start with a couple of early thinkers.

Systems thinkers like Kenneth Boulding [1966] argued for a **Circular Economy** of recycle-make-use-reuse-remake-recycle, in contrast to the

conventional linear economy of take-make-use-dispose-pollute. It is motivated by a concern that we cannot just plunder natural resources and produce ever more waste to be dealt with. Primary production from raw materials must be replaced by secondary production from recycled materials, so as to minimize demand for non-renewable resources and waste handling. The idea of circular economy corrects a **false presupposition of unlimited resources** and capacity to handle waste, held in earlier economics, both capitalist and socialist. It was welcomed by early environmentalists because it began to take planetary limits seriously.

However the idea of circular economy has several **drawbacks**. Paradoxically, it has been found to increase, not decrease, primary production [Zink & Geyer 2017] and waste generation. This is because it ignores several other factors, such as increase in demand and willingness of industry and public to accept produce of secondary rather than primary production, and the fact that recycled / refurbished products like phones do not displace new ones but tend to go to those with no phone at all. While Zink accepts this as unfortunate fate we go deeper, into culture (mindset, attitude) and yet other factors, in Chapter 6.

Garrett Hardin's early **Tragedy of the Commons** was concerned that common goods, including environmental, get plundered because the presupposition of the **self-interested rational economic actor** in conventional theories of economics. Franklin Obeng-Odoom brings this more up-to-date in *The Commons in an Age of Uncertainty*, which calls for "decolonization of nature, economy and society". In reality, however, human beings often help each other and voluntarily limit their demands; we must take both views into account and can do so if recognise the full multi-aspectual richness of human behaviour even in economics; see Chapter 6.

In his classic *Small is Beautiful* E.F. Schumacher [1973] argued for **smaller economic units** rather than large corporations. He also pointed out the stupidity of non-essential economic activity. He exposed the false presupposition of bigger being better and actually brought other aspects of life into consideration, including the social and the aesthetic ("beautiful").

More recently, David Graeber's *Bullshit Jobs* shows that maybe 40% of **jobs are unproductive and meaningless**, not only in government-controlled economies where one might expect it, but in capitalist economies too. In *The Value of Everything*, Marianna Mazzucato [2018] is similarly concerned about unproductive "takers" rather than productive "makers" and the "renter" economy. Both authors raise the important issue of what we call **"useless" economic activity** in Chapter 7. However, both authors are still influenced by the presuppositions of conventional economics and hence miss some important things; see our <"mazzucato.html">critical appreciation of Mazzucato.

Many thinkers have criticised the world's adherence to **economic growth** as governments' main goal. Economic growth is assumed to be the route to prosperity but Tim Jackson's [2009] *Prosperity without Growth*, and many of his later works, along with related **Post-Growth** ideas, argues that real prosperity is possible without economic growth.

In fact, growth can be damaging in that it is increased by **harmful economic activity** (e.g. gambling, leading to addiction), which often require expensive counter-measures, which draw resource from the productive economy. Economic growth has never shown itself to be possible on a finite planet, and the **ecological footprint** of European nations is three whole Earths, and the USA, five. This recognition is central to Raworth's *Doughnut Economics*. So growth itself must not be unquestioningly encouraged. Hickel argues for **De-growth**, reducing the size of economies, at least among affluent nations, allowing less-affluent economies to grow. The idea of de-growth can be applied to harmful sectors.

Somewhat earlier, Bob Goudzwaard [1984] offered the metaphor of the **Blossoming Economy**: A tree grows, and should grow, when it is young but when mature, it stops growing and devotes its energy to blossoming and bearing fruit. Economies of the affluent nations should become fruitful, not ever larger. **Economics of Enough** [Coyle 2011] and **Economics of Arrival** [Trebeck & Williams] give a similar message. The latter uses the different metaphor of arriving at a summit (the affluent economies have ‘arrived’ and should focus on making themselves at home rather than continuing to tread upwards). Economies that have not yet ‘arrived’ can perhaps find an easier route (they cite routes less environmentally damaging). But does the idea of arrival make the same mistake as Keynes, as discussed in Chapter 6? What we do is dig deeper into what might be valid about economic growth and why it is problematic, especially its being treated by governments as an idol. See Chapter 4.

Those are just some examples of “recent” discussions about inconsistencies and flaws in economics as such. Many others are important, ranging from GDP to Trickle-Down Economics. We discuss some of them in the main chapters. Readers might like to add more.

Heterodox Economics questions many of the assumptions taken for granted in what they call “orthodox” economics. It generates some useful and important insights, but it has not properly embraced environmental and wellbeing economics, nor Amartya Sen and others [Hodgson 2021]. Though some are trying to include these, they are like squeezing a square peg into a round hole; these do not really fit unless important elements of them are shorn off.

When we ask what unites them all, what is the **common thread in Heterodoxy**, we find little other than opposition to what is considered orthodox, and, as Dequech [2007] suggests, “there are no significant ideas common to *all* heterodox approaches.” It seems to be a rather ad-hoc collection of those who pride themselves on opposing what they see as orthodox.

Lee [2009] tries to find a common thread in being anti-capitalist and rejecting the scarcity concept and individualism. Hodgson [2021] however finds these “flawed and imprecise” and suggests heterodox thinkers are “united more by (leftist) ideology than by analysis.” Yet, though most come from a left-leaning political stance, some come from right-leaning. In a landmark paper, *The Nature of Heterodox Economics*, Lawson [2006] also sought a common thread, by discussing some characteristics of “orthodox” or “mainstream” economics to find out what is being opposed (individualism, rationality, equilibrium, selfishness, and mathematical (“formalistic-deductive”) methods). Observing that in fact mainstream economics is no mere static caricature but is evolving, he expels all but **mathematical modelling** from his core thread and argues that this is inadequate for understanding and theorizing social reality, so he characterizes “consistent” heterodox economics as any economics that is opposed to mathematical modelling. To characterize Heterodox Economics only on the basis of its analytical methods of theorizing seems however to be rather weak, and even peripheral to economics as such. For one thing, it goes against the self-identification of some who employ mathematical modelling yet characterize themselves as heterodox on grounds of being, for example, anti-austerity [Slade-Cafferel 2019] or post-Keynesian [Hodgson 2021]: Lawson at best calls such “inconsistent heterodox”. But such labels are arbitrary.

This suggests that there are multiple problems of ‘orthodox’ economics against which one can rebel. Lawson suggests that economists require “**ontological awareness**”, i.e. awareness of the nature of social reality (and how mathematics cannot model it). We maintain this in the main chapters, based on a

multi-aspectual ontology, explained in Chapter 3, by which we try to understand the very nature and roots of economic possibility, activity and ideas.

2-1.3 Overview of Recent Discourse

Summary: We are faced with a plethora of ideas, with little integration or harmony among them.

Our brief overview of recent discourses in economics is by no means complete and omits much, but it does show how broad and disparate the discourse is. To conclude, we find that most of these thinkers are responding to various harms they see economic activity doing in the world and/or irrationalities in economics itself. These include:

- ◆ Injustice to workers
- ◆ Injustice to LDNs
- ◆ Environmental destruction
- ◆ Depletion of soil fertility
- ◆ Climate change
- ◆ Commitment to economic growth
- ◆ Narrow values
- ◆ Inequality in affluent nations
- ◆ Unconcern for future generations
- ◆ Disregarding of mundane work
- ◆ Ignoring unpaid household activity
- ◆ Cruelty to animals
- ◆ Health problems
- ◆ Addictions
- ◆ Spiritual poverty
- ◆ Waste and the throw-away culture
- ◆ Tragedy of the Commons
- ◆ Giant corporations
- ◆ Unproductivity and non-essentials
- ◆ economic growth
- ◆ opposition for its own sake
- ◆ and many more.

What faces us is a confusing **plethora** of ideas from thinkers over the past half-century, some concerned about climate, some about biodiversity, some about non-renewable resources, some about health, some about happiness, some about justice and inequalities either within affluent economies or between these and non-affluent economies, some about faith and meaninglessness, some simply about absurdities in economics, and so on. Most thinkers focus on one or the other; few try to bring them all together, though Doughnut Economics and others have started to do this. What we need is a **conceptual framework** for understanding and incorporating them all, in principle.

Most recent ideas are reactive, addressing what they identify as problems, often driven by “feelings of antagonism” [Goodwin 2023, 20]. We need a conceptual framework that stands a good chance of being to address problems that have yet to arise or be recognised, i.e. in the future. Lawson’s suggestion of ontological awareness can help here because it offers a way of fulfilling this requirement - as long as it is a good ontology, not a reductionist or dualistic one in which square pegs are forced into round holes. Chapter 3 introduces one that contains multi-aspectual laws that apply in the future.

It will also allow us to embrace insights from the past, including valid insights from conventional economics. The following section briefly follows a

few ideas from conventional economics, in order to illustrate the kinds of insight that we might find valid.

2-2. Some Insights from Conventional Economics

Summary: Conventional economics, both left- and right-wing, also offers valuable insights, though also many that are not valid. The valid insights contribute to understanding how the economic aspect of reality itself operates, maybe with justice.

Many recent thinkers merely criticise conventional economics; we believe that it contains many valid insights about how the economic aspect of reality operates, not least because there has been a vast literature on it and a huge amount of experience gleaned from practice. This section is far from comprehensive, its purpose being mainly to illustrate what we mean by valid insight and what we do not, including some main criticisms of conventional economics.

By “conventional economics” we mean the two main camps of left- and right-wing economics, socialism versus capitalism, and associated ideas like neo-classical and neo-liberal economics versus state-led economic control and Marxist ideas. We want to be able to discern valid insights in all.

For example: It has been suggested by members of the RLDG that **Adam Smith**’s writings (which gave rise to economics as we know it today), and which have been both lauded and derided by many, contain not only flaws but also important insights that have been ignored, and that this explains the parlous situation in economics that we have today. The RLDG wants to treat the valid insights from Smith as well as those from others with due respect and take them into account - and yet go deeper by questioning presuppositions on which they are based. (We have a <“smith.html”>different view of Adam Smith.)

Over the years, many valid insights have emerged about things like:

- ◆ Resources;
- ◆ Allocation of resources when there is a choice to be made;
- ◆ Exchange and markets;
- ◆ Scarcity and frugality;
- ◆ Abundance / prosperity;
- ◆ Poverty, inequality and injustice;
- ◆ Capital and income;
- ◆ Innovation;
- ◆ Accounting (individual, households company and national);
- ◆ ‘The Economy’;
- ◆ Governments, taxation;
- ◆ Investment;
- ◆ Financial instruments to control demand and supply, and money;
- ◆ Employment, labour and use;
- ◆ Money as flowing around ‘the Economy’;
- ◆ Banks and other financial institutions, and new systems like cryptocurrencies, and their robustness;
- ◆ Trust;
- ◆ And so on.

(Notice micro- and macro-economic concerns mixed together.) Understanding of such things must be incorporated along with insights from recent thinking, if we are to properly understand economics. Many of the recent thinkers, such as Mark Carney, who was once Governor of the Bank of England, do bring these into his ideas, but not all do. We will try to, too.

What we call **valid insights** are those that account for how the economic aspect of reality itself can and should operate.

Not all insights from conventional economics are valid, however. Insights that are not valid are those that have brought about problems in the world, often rebounding on the economy itself. Among these we include:

- ◆ Adam Smith's "self-love";
- ◆ Economic activity as solely by 'self-interested rational economic actor';
- ◆ GDP treated as a measure of national wellbeing;
- ◆ GDP as lumping good and harmful economic activity together;
- ◆ The absolute priority given to economic growth (by politicians and media pundits at least);
- ◆ That firms and nations and their economies are treated as sacrosanct;
- ◆ Isolation of economics from other spheres of life (including environment, health and relationships);
- ◆ Only economic value recognised; other values ignored;
- ◆ Monetization of all of life;
- ◆ Unpaid work ignored or under-valued;
- ◆ Money treated as an owned commodity;
- ◆ Competition;
- ◆ Divorcing micro- from macro-economics;
- ◆ The 'war' between left- and right-leaning economics;
- ◆ Treating harmful repercussions as mere "externalities";
- ◆ Ignoring or sidelining responsibility;
- ◆ Ignoring faith;
- ◆ The prevailing mindset and pervading attitude in (Global North) society as impacting economics;
- ◆ Presuppositions underlying economic theory and discourse;
- ◆ And many others.

Some infiltrate recent thought. Some of them are inherently problematic; others contain a modicum of validity. What the validity might be, **why such things are problematic** is discussed in the main chapters.

Some of the problems arise from how economics is 'used' by politicians and others (e.g. adherence to economic growth), yet it seems that there is **something in economics itself** that allows and even encourages such things to become problematic rather than healing. RLDG discussions of problems revealed deeper roots. What this means is that we do not just seek to address the problems as they present themselves such as in the above list, nor side with recent against conventional economics but, as mentioned above, we seek to understand these deeper roots from problems they have grown, and in relation to which both recent and conventional insights might be welcomed, situated and linked together. The five main chapters in Part II each express a different deep root.

We claim to embrace both left- and right-leaning ideas, both socialist and capitalist economics, both heterodox and orthodox, both recent and conventional. The basis for this claim is that we notice that, broadly, right-leaning ideas tend to focus on the economic aspect of reality and employ economic rationality alone, unhindered by others, while left-leaning ideas tend to bring in the aspect of justice too. In the ontology we use, both aspects are present but among many others, all of which are equally important, none dominating. The flaws in both arise from either elevating these aspects above others, or even ignoring others, or from misunderstanding the very kernel of their aspects (the kernel of the economic aspect is discussed in Chapter 3 and 4), or from bringing in a dysfunctional version of another aspect (which we argue happened with <"smith.html">Adam Smith's "self-love"). We will see how most of the recent ideas contribute to some of these other aspects.

2-4. Issues that Too Few Discuss

Summary: While many issues are well discussed, there are many important ones seldom discussed. So we tend to focus on those.

Readers might find it strange that some of what are seen as 'big' economic issues today, (GDP, growth, poverty, wellbeing, etc.), and which readers might expect to occupy a whole chapter, are allocated only a sub-section in this Rethink, while other issues are given more attention. This is for two reasons. 1. Overlooked issues requires more discussion here to fill gaps in the discourse. 2. It is the deeper origins of issues that are more important to understand and get right, especially those related to culture, mindset and attitude. Some of the issues we give more attention to include:

- ◆ **Unpaid economic activity**, such as volunteering and work in households like caring and housework, especially in the Global South where the culture is to do good activity without money. Such good activity - which is necessary for wellbeing and all else - should be recognised in GDP or other national measures. SNA 2025 is looking at how to include this, but there seems to be too little real discussion in economics theory or even practice about it. We provide philosophical grounds for bringing unpaid activity into the heart of economics theory and practice, discussing its value in Chapter 5 and its activity in Chapter 6.
- ◆ **Differentiating Harmful and Useless from Good economic activity**. Whereas most economics thinkers, and many practitioners such as Mark Carney, are concerned to rectify wrongs, the fact that much economic activity is Harmful and/or unproductive or non-essential is given too little thought. In both economic theory and practice Harmful and Useless are often lumped together with Good (as in GDP). In Chapter 7, we discuss this and offer philosophical foundation and conceptual framework for understanding them and, as an example, redefine GDP in a way that differentiates them.
- ◆ **Insights from Religion and Spirituality**. Whereas theologians might discuss the impact of religion on economics, and vice versa, most economists and political economists ignore it. In Chapter 3, we discuss what role spirituality and religions, especially Christianity, might validly play, without dominating economics, and refer to this throughout.
- ◆ **The meaning and mandate of economics**. What is economics 'for'? Why does economics matter? In what ways would we be worse off without it? We usually assume something vague about it bringing prosperity - but is that truly its role? Especially given the enormous harm that much economic activity does. In Chapter 4, we discuss this and give a clearer answer, which underlies all the Rethink and by which recent and conventional insights are judged.
- ◆ **'Culture'**. Some call for a "change in culture", but few discuss exactly what culture is (so how can this change come about). We do. In Chapter 6, we suggest culture is mainly our pervading attitudes and prevailing beliefs, our functioning in ethical and faith aspects, and discuss the wide yet hidden impacts this has, and also how culture may be changed. In Chapter 4 we discuss the unhealthy mindset most of us have towards economics.
- ◆ **Bringing conventional and recent ideas together**. In the main, recent ideas emerge as reactions against problems in conventional economics - lots of different problems, so lots of different recent ideas. We recognise that both contain valid insight, so our Rethink offers a philosophical foundation by which both can be fitted comfortably into the same wider conceptual framework for both theory and practice.

Some of these constitute some of the ‘**unique selling points**’ of this Rethink.

We discuss these and other issues at length partly because they are important and partly to illustrate how to apply the principles of our Rethink to issues not yet widely discussed, so that readers may apply them to **yet other issues** we do not discuss.

2-5. A Way Forward

Summary: We seek a framework for understanding economics as such. Instead of just responding to the above insights, we consider five deeper issues drawn from philosophy.

Because of the plethora of recent ideas, because there is little integration among them, because of divisions in conventional economics and between it and recent ideas, because we believe that there are valid insights in all, and because the way economics is currently structured and presupposed such that it tends to encourage harm and the overlooking some important issues, we believe that economics needs a **radical rethink** - in both theory and practice. Many recent thinkers call for rethinking (e.g. Raworth, who calls for “21st century economists”, or the group called Rethinking Economics), but most of them largely address current problems they see and might not go to the roots (*radix*).

Our Rethink, instead of seeking to counter, rectify or address directly the issues discussed above, treats them as visible manifestations of deeper malaise and possibility. **We seek to understand economic reality**, especially its relationship with other spheres of life (such as biodiversity and faith) and this “ontological awareness” [Lawson] makes possible a more sustainable integration than can be achieved by bolting disparate concerns together.

We treat **conventional and recent** thought somewhat differently. Because conventional ideas have been worked out much more elaborately, they have more layers of problematic accretion from society’s presuppositions, attitudes, aspirations and expectations, so there is more to cut away - to criticise - in conventional economics before the valuable insights can be reached. We regard recent thinkers as drawing attention to issues that conventional economics has overlooked. That is why, in this Rethink, there might appear to be more criticism of conventional economics and more acceptance of recent ideas. And yet, since much recent thinking has arisen by reaction, we are by no means uncritical thereof.

We develop the principles of the Rethink **guided by five perspectives**, which are explained and discussed in Chapter 3: We respect ‘real life’ (everyday experience) and people’s pre-theoretical outlook, alongside theories and rules. We employ a philosophy that is good with complexity. We welcome insights from religious perspectives. We embrace all ‘sides’ - left and right, capitalist and socialist, heterodox and orthodox, recent and conventional - with a systematic way of engaging with ideas and penetrating to the valid insights therein. We keep in mind the overall ‘good’ that all presuppose economic activity should bring about and hence maintain a normative as well as explanatory stance.

It is philosophy that guides us towards the deeper level that underlies issues like those mentioned above, so our main chapters in Part II reflect philosophical ideas: the very possibility and existence of economics (its meaning and mandate, its “So what?” and “What for?”) in chapter 4, value in chapter 5, economic activity in chapter 6, and the difference between good and harmful economic activity in chapter 7, entities meaningful in economics (e.g. money) in chapter 8. (Notice how, unlike traditional philosophy, which would introduce entities in economics first, our philosophy places it last.)

Those five set a direction for rethinking economics and give some examples of how this may be followed. But they need research, discussion and refinement. So we add two more chapters, which illustrate how to **apply the ideas** in more detail: We discuss **Environmental Economics** in Chapter 9 as a challenging full example, and how **issues in Conventional Economics** may be rethought in Chapter 10.

What we say in these and the main chapters is **not purely philosophical**, however, but in each chapter we discuss the 'real life' of economics and specific issues, some from recent and some from conventional economics. What our approach does is to enable us to generalise from such issues, fitting them into a bigger picture, and also it is general enough to respond to issues that have not yet been made widely matters of concern or might appear in the future.

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