

Chapter 6. Economic Activity as Multi-aspectual Functioning

Summary: Economics does not have a strong enough understanding of the functioning and repercussions of economic activity, especially not of hidden attitudes and mindset. Dooyeweerd's ideas offer a practical understanding of this, and we offer a model of economic activity.

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"http://christianthinking.space/economics/"*

Status of chapter:

- *in need of critique discussion;*
- *some references needed;*
- *needs shortening, proof-read.*

What is it that generates value and contributes to Multi-aspectual Good? What is it that venerates Harm? Is it not our functioning, our behaviour, our activity? How do 'externalities' occur? How may we understand economic activity in a way that integrates economic activity with all other kinds? This chapter offers an understanding of economic activity as part of everyday experience, and indeed the whole of Creation's functioning, as multi-aspectual, as set out in Chapter 3.

Philosophically too, to understand functioning is important, not only because of Process Philosophy and the Historical, Linguistic and Critical Turns in philosophy require it, but because functioning in what converts possibility into actuality over time. Dooyeweerd offers the idea of time and activity as exhibiting multiple aspects and having repercussions meaningful in each, and this will help us cope with the complexities encountered in real-life economic practice.

We begin by reviewing extant ideas about economic activity - their insights and limitations - at both micro- and macroeconomic levels. Then we look at how this may be understood as multi-aspectual functioning, in a way that brings the levels together and brings externalities and unpaid work into the core of economics. We look especially at the hidden functioning of attitude and mindset. We then discuss how all this can apply to current economic issues or challenges, in a way that enriches current concepts and theory and resolves paradoxes.

6-1. Some Theory About Economic Activity

Summary: The range of theories about how we behave in economic activity is wide, though not wide enough, and rather fragmented. We suggest how Dooyeweerd offers a fuller and more integrated picture.

In this section we look briefly at various kinds of theory about economic activity. The aim is not to cover all theories (that must wait for a fuller review) but rather to indicate the way we want to affirm and critique extant theory and maybe enrich it and thus contribute to the discourse.

6-1.1 Mathematical Understanding of Economic Activity

Because mathematical variables can express quantitative measures of value, and equations can express functioning and especially correlations or causality, it is no surprise to find that for decades economists have used mathematics a lot. However, as we discussed in Chapter 5, quantitative measures distort real value and mislead those who rely on them - especially for value in aspects that cannot be quantified.

With equations, a second problem occurs: many 'causalities' (repercussions of functioning) do not follow the laws of mathematics, neither addition, subtraction, multiplication, division, differentiation nor integration. Take the supply-demand equation or model for instance. It seldom works as expected.

This is because of functioning in other aspects. If we investigate reasons why suppliers supply and demanders demand, we find many such things as illustrated in Table t6-1.1. Many of the examples given are dysfunctional reasons, which imply it might be better if the product was not supplied or demanded.

Table t6-1.1 Some example reasons (many dysfunctional) in each aspect that motivate supply and demand.

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Aspect	Supply because ...	Demand because ...
Pistic / Faith	"I must beat my rivals"	"I am worth my baubles" (word used by Adam Smith)
Ethical / Attitudinal	"To protect the business we supply as much as we can"	"I want my baubles despite harm to others"
Juridical	"We are contracted to supply"	"I have a right to these baubles"
Aesthetic	"Supply challenges are fun"	"I enjoy buying"
Economic	"There is demand"	"There is supply"
Social	"Must keep firm and team together"	"Having these gives me kudos"
Lingual	"We persuade them to demand"	"We are persuaded to want these"
Formative	"Our technology and plans require this supply"	"With these I can achieve more"
Analytic		"It stands out"
Psychic / Sensitive	"I have a hunch this will sell"	"I feel I want this"
Organic / Biotic	"People need food"	Hungry
Physical	"We have raw materials"	
Kinematic	"Because it is easy to ship"	
Spatial	"Customers are near"	
Quantitative	"Because we have lots of it"	

Mathematical expressions of economic activity are not to be trusted, except perhaps as aids to stimulate further thinking, and certainly not as justifications for decision-making by those with power.

6-1.2 *Homo Economicus*: The Self-interested Rational Economic Actor

Summary: The paradigm of the Self-interested Rational economic Actor has dominated economics for decades but is very deeply flawed, misleading and even false, leading to much harm.

One of the best-known ways of theorizing economic activity is that of the **Self-interested Rational Economic Actor** (*homo economicus*, SREA) - who decides a purchase according to whether they will benefit themselves or not, and solely on those grounds. It expresses activity in a model or paradigm rather than as equations. Though this has been severely criticised in the field of economics, for example by Hirshleifer [1985], with a good overview in Cojanu [2017], it still sticks in the mind of many politicians, business managers, marketers, media pundits or financiers, and they call on the idea to justify their decisions.

But **real economic activity** works behaviourally and socially not just rationally; rationality plays a part but not the only part, and all aspects are meaningful. For example, many people choose goods not on price alone but especially on whether the price seems 'reasonable' and especially that they do not feel cheated; those are meaningful in the

juridical, not economic, aspect. The attack on *homo economicus* has been almost universal in recent years and from many directions - Cojanu [2017] and several that Cojanu reviews, Raworth [2019], Carney [2021], and many more.

In aspectual terms the idea contains two major flaws. 1. It over-elevates the analytical aspect and ignores most others. Arguably, it even ignores most of the economic aspect, in that frugality plays no part. 2. It imports dysfunction in the ethical aspect and treats it as good (a norm to be followed). Since the ethical aspect has an important retrocipatory effect on the functioning in other aspects, one can argue that the dysfunction therein is more important than the valid functionings in the other aspects. It is because of both that it has wreaked such havoc on the world.

Most people conflate the two but Cojanu at least recognises their distinction and suggests a version of *homo economicus* that is not self-interested. In our terms, of Chapter 3, he wants to enrich the idea of Rational Economic Actor. To do so, however, we find he actually brings in others aspects like the formative (in capabilities), juridical ("detestable causes" [p675]), faith, sociality and biology [p.676]. He actually calls for "different conceptions of the right and the good".

What Cojanu does, is to mention those factors, call for integration and suggest they call into two main groups, individual and social. Though he emphasises the importance of ontology rather than epistemology, he does not venture to suggest how to identify kinds of factors that are possible in reality, nor what their functioning is like, nor how they relate to each other. These things are precisely what Dooyeweerd enables and urges us to do, and so offers a way to enrich the idea of the Rational Economic Actor, in that each aspect enables a distinct kind of rationality.

So the idea of *Homo Economicus*, unencumbered by self-interest, can perhaps be allowed a small defence, as a narrowed view of economic activity through the lens of the analytical aspect, which, as with mathematical models, could be useful to stimulate theoretical thinking. However, it only becomes useful once it becomes a multi-aspectual notion in which all aspectual functioning, repercussions and inter-aspect dependency are understood adequately. And arguably we get there quicker via Behavioral Economics, or even directly.

6-1.3 Behavioral Economics

Summary: Behavioral Economics offers some understanding on how other aspects impact economic activity, but it is fragmented and patchy in its coverage.

Behavioral Economics deliberately recognises human behaviour beyond the rational, and thus gives official recognition to what we would call other aspects. John Maurice Clark [*Economics and Modern Psychology*, 1918] argued that economics needs to take human nature into account, especially desires and how environmental factors equip and enable economic activity (mainly psychical and pistic aspect). Jeremy Bentham emphasised utility (formative aspect). Inter-temporal consumption and discounting utility may be seen as willing sacrifice for future Good, (ethical analogy in the economic aspect). It has been challenged by the Allais Paradox, which is mainly concerned with beliefs and stances (pistic, ethical aspects). Input from cognitive psychology, in which concept structures (analytical and formative aspects) are important, brought insights into decision-making [Simon; Kahneman & Tversky]. Kahneman's Prospect Theory is about things like greed (dysfunction in ethical aspect) and fear of loss (pistic, juridical and psychical aspects), and the way in which problems are presented to economic actors (lingual aspect).

Nudge Theory [Thaler & Sunstein 2008], by which people's behaviour is changed, brings in messaging (lingual functioning), spatial arrangements (spatial functioning) and immediate awareness (psychical functioning), which gives it a short-term focus. It has been criticised mainly on normative grounds, of whether it is manipulative, "paternalistic," threatening to dignity, suppressive of autonomy, and being used for political purposes, but Sunstein countered by arguing that some form of paternalism cannot be avoided. We need to consider these criticisms more deeply, and can do by seeing in which aspects they are meaningful and might be dysfunctional. Manipulation as such is meaningful in the formative aspect and indeed obeys its norm, but what is wrong with it here is meaningful in the juridical, ethical and pistic aspects, of being unjust to the budgeted people, of nudging them for our selfish purposes without any concern about them, and our presupposition of them as mere items to be nudged rather than fully human beings. If we can avoid those three dysfunctions (such as during the Covid-19 Pandemic, when Nudge Theory was employed) then nudging can be normatively valid. Similarly with paternalism, dignity, and autonomy. More substantial criticism perhaps may be doubt about its scientific credibility, and the claim that it relies too much on *Homo economicus*. An important criticism, perhaps, is that nudging might not change behaviour long-term. The debate, of course, continues - and Dooyeweerd's aspects may be able to help to make it fruitful as just exemplified.

There are of course many other strands of Behavioral Economics, but the above is sufficient to show that is more useful in understanding real economic activity than mathematical or rationalistic approaches, because a wide range of aspects can be accommodated. But Behavioral Economics itself has limitations.

6-1.4 Limitations of Behavioral Economics

Summary: Behavioral Economics brings in other aspects, it currently has several limitations, and we suggest how they might be tackled.

1. Though Behavioral Economics recognises more aspects than does Rational Economic Actor, it offers a rather **fragmented picture**, each author focusing on a different behavioral effect, meaningful in only one or two aspects, and sometimes not even a full account of their favoured aspect. It is difficult to obtain a broader picture that can embrace all of them without the help of a conceptual tool like Dooyeweerd's aspects. The idea of inter-aspect relationships like dependency, Dooyeweerd's aspects provides a real basis for embracing or integrating them all.

2. Some aspects are **under-played** or even ignored. Because of its roots in psychology, Behavioral Economics often tends to focus on the psychical / sensitive aspect and even sometimes try to reduce all behaviour to that aspect. Even when this does not happen, other aspects are added ad-hoc by different thinkers, leaving some still under-played (such as aesthetic, biotic missing from the above brief selection). Though such aspects are doubtless discussed somewhere, or might become recognised some time in the future, is it not preferable to include them from the start using the overall view that Dooyeweerd's suite offers rather than having to hunt for them?

3. Behavioral Economics and Rational Economic Actor seldom take **unpaid (household) economic activity** into sufficient account, even though it too exhibits multiple aspects including an economic aspect. Dooyeweerd's suite of aspects applies to that equally.

4. Most of the above is confined to **short-term** behavioural issues, and to microeconomics. Most extensions to macroeconomics presuppose merely an extrapolation of the behaviours of individuals, and they do not do justice to

structural issues. An aspectual approach incorporates structural and **longer-term** issues inherently.

5. SREA and Behavioral Economics are currently mainly about the functioning of **purchasers**. For a full picture of contribution to Multi-aspectual Good, however, we need to understand how people use purchases in their functioning, and also the functioning of producers, or labour and of managers.

Theories and principles of Process Economics is concerned with production, cast in terms of production activities like the extraction of raw materials, production of goods and services, resource management, distribution of products, and consumption of products. But it is usually even more narrowly focused than Behavioral Economics, often on engineering, and has at its core, entities (products) rather than contribution to Multi-aspectual Good or Harm from those products and their production.

A.N. Whitehead applied his Process Philosophy to economics, but only briefly and at a rather shallow level, using economics mainly as an example of the errors to too much deductive theorizing [Johnston 2008] rather than actually giving us a framework for understanding economics. Though Whitehead might offer some insight into the processes apart from, and underlying, the entities in economics, he does not properly account for economic activity because at root he treated it as generalised process with no basis for distinguishing economic process from other kinds.

Instead, it is possible that an aspectual approach can enrich Behavioral Economics and overcome its limitations. It can be enriched by separating out the aspects of behaviour, as we have done above (our attribution of aspects is provisional) and bringing in inter-aspect dependency. Moreover, an aspectual approach might reveal obfuscations, for example the word "paternalistic" is used for its derogatory connotations more than its meaning, and an aspectual approach would ask "In which aspect(s) is paternalism a problem, and Nudge Theory a problem?" Trying to change behaviour is meaningful in the formative aspect, while "pateralistic" speaks of the juridical dysfunction of disrespect.

6-1.5 Macroeconomic Economic Activity

Summary: Macroeconomics can be understood within the same framework as microeconomics, by recognising that whole economies also function in all aspects.

Most of the above refers to the functioning of individual economic actors (people, households, firms, etc.), as a concern of microeconomics; there is also macroeconomic functioning of 'The Economy' of a nation as a whole. Macroeconomic activity usually embraces factors like economic growth, unemployment, national imports and exports, currency exchange rates, productivity and inflation. It is the concern of governments to make policy that influences macroeconomic activity towards Good (including the good of the nation). Traditionally, macroeconomics and microeconomics are presupposed and taught as two completely different arenas of interest, but increasingly thinkers are trying to bring them together, and also distinguish other levels like meso, global.

However, macroeconomics (theory and practice) is in a mess [Romer 2016; Stiglitz 2018; Lari 2024], after a promising start with Keynes. Relying heavily on mathematical measures, especially the DSGE (Dynamic Stochastic General Equilibrium) model that now dominates macroeconomics, it failed to predict or even understand the 2008 Credit Crisis, for example, and most governments did not respond well. Many discuss the problems of macroeconomics, but some of their approaches are less helpful than others.

Lari [2024] for example focuses on the behaviour of thinkers who have developed and used macroeconomic theory rather than on the macroeconomic activity as such: she adopts a socio-epistemological rather than an ontological approach. While the process of academic activity around economics is a matter of concern - and we dealt with this in Chapter 4 and Chapter 3 - here we want to understand the very nature of macroeconomic activity and by what laws it tends to operate. Understanding this is proving more difficult than many macroeconomists dreamt, with their “cavalier” attitude [Romer 2016, 1] about inferring causality from mathematical correlations, since most macroeconomics still restrictively bases itself on graphs and equations. Romer argues that such mathematical theories are, using Abramovitz’ [1965] famous phrase, “a measure of our ignorance” and presents a list of driving forces that he believes are imaginary (“post-real”) but dressed up as theoretical fact.

What is interesting to us here is that each element in his list happens to express an actual, ontological functioning with macroeconomic repercussions, to which we will refer later, for all of which he claims the cause is unknown but treated as though known (and he emphasises this by giving them labels from fiction or earlier flawed science:

- ◆ “A general type of phlogiston that increases the quantity of consumption goods produced by given inputs”
- ◆ “An ‘investment-specific’ type of phlogiston that increases the quantity of capital goods produced by given inputs”
- ◆ “A troll who makes random changes to the wages paid to all workers”
- ◆ “A gremlin who makes random changes to the price of output”
- ◆ “Aether, which increases the risk preference of investors”
- ◆ “Caloric, which makes people want less leisure”

While Romer’s main concern (as with Lari 2024) proves to be the operation of thinkers in the field of macroeconomics (he lists seven flaws like “tremendous self-confidence”, “isolation”), what concerns us here is to understand how and why such factors actually occur - what the phlogiston, troll, gremlin, aether and caloric are - and not just how they happen to correlate (which is the approach taken by DSGE). We will see later that such factors are driven by functioning in the three post-aesthetic aspects, the juridical, ethical and pistic, and these are key to understanding macroeconomics.

The problem is that, as used by most economists and governments, macroeconomics is restricted to what governments deal with, which is meaningful in the juridical aspect. Since the juridical is pre-ethical, a juridical lens gives us no view of what is meaningful in the ethical and pistic aspects, such as attitudes of selfishness or generosity, of belief, commitment, etc. These things come only via dim, uncertain, undefinable analogical shadows, at best. (Is that why GDP has never been redefined to differentiate between good and evil in its ethical sense?) So macroeconomics, as it is at present is too narrow in its view and the **scope of macroeconomics should be broadened to incorporate ethical and pistic concerns too.**

Now, ‘causality’ in economics is very complex. Though, in some ways, statistically manipulated data is useful since it expresses actual functioning, the mathematical approach has been too content to simplify and add in fictitious parameters, as Romer argues. Stiglitz [2018] suggests a way of understanding the functioning (“dynamics”) of macroeconomics. He argues that macroeconomics, especially governed by the paradigm of DSGE, has been set on the wrong “microfoundations” - a macro version of the Self-interested Rational Economic Actor (as a “representative agent”) and that insights from Behavioral and Information Economics should be brought in. Very good. But his proposed

model rests on a similar foundation and he gears his model mainly to explaining big 2008-style downturns rather than seeking to understand macroeconomic activity as such - which is what is needed.

It is at least possible that Dooyeweerd's understanding of multi-aspectual functioning, described in Chapter 3, can help us with this complexity, as it has with other complexities. Not least, in offering a foundation for recent attempts to recognise multiple levels, meso and global along with micro and macro, and to understand the "microfoundations" of them all [Lucas]. As we have indicated above, macroeconomic functioning might be understood via the juridical, ethical and pistic aspects, with inherent, **mutual inter-dependency** between these and the middle aspects that prevail in microeconomics.

There are, of course, other theories of how economic activity functions beyond those above - for example Information Economics, which would find the lingual aspect particularly important - but the discussion so far serves to show that a multi-aspectual understanding of economic activity at all levels is worth exploring.

6-2. Economic Activity as Multi-aspectual Human Functioning

Summary: If we understand economic activity as multi-aspectual functioning led by the economic aspect, then we discover a systematic, integrative treatment that is able to embrace most extant theories, and also recognise unpaid activity.

We address these challenges by understanding economic activity as multi-aspectual functioning, in which the primary aspect is economic. Drawing on Dooyeweerd's theory of aspects, as set out in Chapter 3, this gives us several implications and sub-implications.

All these ideas, however, **require research** to develop them and then test and refine them.

6-2.1 Kernel Meaning: What is Economic Activity?

Summary: Understanding the kernel meaning of the economic aspect brings many activities into economics alongside buying and selling. Understanding all aspects enriches .

If economic activity extends to include more than just purchasing, selling, saving, etc., especially activity that does not involve money, then what is it. Our answer is: human activity in which the kernel meaningfulness of the **economic aspect** is of primary importance. Functioning in the economic aspect, we treat objects with respect, as resources with value (see Chapter 4). Economic activity thus includes (in alphabetical order): banking, buying, conserving, distributing, giving, recycling, repairing, repurposing, reusing, saving, selling, storing, using with care, and much more. Wasting and squandering are also economic activity, but dysfunctional and harmful.

This affirms standard understandings of economic activity - such as that of Robbins - but also critiques and enriches them, bringing into the purview of economics activities that are often sidelined.

Though the economic aspect is primary, economic activity is fully multi-aspectual, exhibiting all aspects, and we cannot understand it without understanding the importance of each.

6-2.2 Multi-aspectual functioning: The Richness of Economic Activity

Summary: All economic activity involves all aspects, along with the economic functioning.

Most economic activity itself, though led by the economic aspect, involves **all other aspects** simultaneously; that is, it is multi-aspectual in nature (Chapter 3). For example:

In a purchase, we have the *juridical* functioning of it being a contract, the *social* functioning of agreement, the *lingual* functioning of communication between buyer and seller, and the denotation of value on any money used, *formative* functioning of planning and enacting the purchase, *aesthetic* functioning of the purchase being in harmony (or not) with market practice, as well as the *quantitative* functioning of the value itself, a *spatial* aspect of proximity (distant or in person), *pistic* functioning of motivation for, and belief in, the purchase, *ethical* functioning of trust, as well as the *biotic* impact the purchase might have (usually indirectly) on ecology and biodiversity.

Most of these are **essential** to the success of the economic activity, not mere externalities.

No functioning in other aspects can be reduced to the economic, and cannot be explained in purely economic terms, even though there is indeed an economic explanation, we must **take all aspects into account** if we are to properly understand economic activity. The fall of Credit Suisse, for example, shows that trust (ethical functioning) operates by different rules than does finance. Such a multi-aspectual view of economic activity aligns well with thinkers like Cojanu 2017, Raworth 2018 and Carney [2021].

Here is a more systematic list of examples of the relevance of each aspect to economic activity in general, at all levels:

- ◆ Quantitative aspect: stock levels; price; GDP;
- ◆ Spatial aspect: location;
- ◆ Kinematic aspect: movement of goods; movements in the economy;
- ◆ Physical aspect: medium for currency (gold, etc.);
- ◆ Biotic aspect: dependency of the economy on biodiversity and health;
- ◆ Sensitive aspect: emotions and interaction of individuals to stimuli;
- ◆ Analytical aspect: distinctions of value, suppliers, etc;
- ◆ Formative aspect: production; economic planning;
- ◆ Lingual aspect: money as token of value; communications;
- ◆ Social aspect: buy-sell exchange; national / communal agreement on value of currency;
- ◆ Economic aspect: value, frugality, conservation, waste;
- ◆ Aesthetic aspect: harmony or fragmentation of 'the economy'; makes macroeconomics meaningful;
- ◆ Juridical aspect: just or unjust transactions; legislation; equality; policy;
- ◆ Ethical aspect: trust or distrust; generosity or self-protection;
- ◆ Pistic aspect: belief in, presupposition of, the workings of markets; what the economy is 'for'; aspirations and expectations (mindset).

Notice how the final two are often tacit, hidden, and 'flavour' all the others (by retrocognitive impact); they are what is often referred to as culture.

This, in a very natural, unforced way, brings in much that **recent thinkers** have called for. No longer need we try to awkwardly bolt them on to conventional market activities. No longer do we have to dwell entirely within the camp of Heterodox economics. We can fully affirm and incorporate things like environmental conservation, unpaid household work and culture of economics explicitly within economic theory and practice.

This shift in norm gives us a basis for questioning and critiquing both **right- and left-leaning economic ideas** and beliefs, without taking sides, and allowing us to embrace valid insights from both. It says nothing directly about the relationship between government and individual activity, over which many seem to be at war; that comes later.

6-2.3 Normativity: The Norms of Economic Activity

Summary: The kernel norm of economic activity, defined by the economic aspect, is frugality without waste - but for flourishing economic activity the norms of all aspects are important.

The meaning-kernel also defines the norm that should guide economic activity: **frugality** (as Dooyeweerd emphasised; see Chapter 4). Notice that the norm is not “to increase wealth”, as much modern and post-modern economics presupposes, nor “to prosper” nor even “to make prosperous”; these are multi-aspectual, in that real prosperity that is worth anything occurs when we function well in all aspects.

Its anti-norm, i.e. dysfunction and harm in the economic aspect, is thus **waste**, squandering, surfeit, rather than poverty, which, as we shall see later, is multi-aspectual, a dysfunction in many aspects. This explains the ire of many economists, both right- and left-leaning, such as Mazzucato and Graeber, over waste and unproductivity, and why we emphasise “Useless” economic activity in <“s-gvua”> Chapter 7. Waste is intuitively wrong from an economic perspective, in the way poverty is not.

Norms go with laws, but to Dooyeweerd the **basic laws of each aspect** are more than norms; they operate whether we obey them or not, such that if we obey (follow, respond positively to) them, things will prosper and, if not, prosperity etc. is undermined. For example, in the ethical aspect, even if we ignore it, both lack of trust and self-centredness undermine or hamper economic activity whereas trust and generosity flourish it. This is despite Adam Smith’s infamous “self-love”! Yet his “invisible hand” could be seen as the functioning of the laws of all aspects together; see <“smith.html”> Rethinking Adam Smith.

6-2.4 Target Aspects: Kinds of Economic Activity

Summary: The various kinds of economic activity may be understood as having different target aspects.

Economic activity (banking, buying, ... repairing, ... saving, using with care) concerns different **kinds of resource**, which affects the functioning and repercussions (contribution to Overall Good). This may be understood as functioning in the economic aspect targeting another aspect Chapter 3, we call a target aspect(s), for example:

- ◆ Spatial target: land;
- ◆ Physical target: minerals;
- ◆ Biotic target: food, timber and produce of oceans and forests;
- ◆ Psychical target: sensory capacity, memory, attention span;
- ◆ Analytical target: concepts (Occam’s Razor), ideas;
- ◆ Formative target: tools, techniques and human skills and abilities;
- ◆ Lingual target: words, books, blogs;
- ◆ Social target: roles in institutions; relationships;
- ◆ and so on - **anything to which value can be ascribed.**

This offers a foundation for listening to many recent thinkers, such as Raworth’s Doughnut Economics, in which the targets are social, juridical, biotic and physical aspects, Graeber and Mazzucato, in which the targets are formative (human achievement), environmental economics, in which the target aspects are mainly biotic and physical, as well as traditional sectors like mining (physical target), agriculture (biotic target), healthcare (biotic, psychical) and social care (social, pistic targets).

6-2.5 Ranges of Aspects: Micro, Macro, etc. Levels

Summary: The various levels of economic activity - micro, macro, meso, global - may be understood and integrated by recognising ranges of aspects.

Notice that the aspects, in which every economic activity functions, includes the post-aesthetic aspects of 'the whole', as well as aspects meaningful in individual behaviour. Recognising this can provide a foundation for bringing macro, micro and other **levels of economics** together.

Each level describes the functioning of economic activity in a different range of aspects. Even a simple purchase or repair exhibits aspects meaningful not only in microeconomics but also those meaningful in macroeconomics (alongside all other similar purchases or repairs). So microeconomic and macroeconomic are not to be seen as different types of economic activity but rather **different aspectual views** of the same economic activity, from different ranges of aspects. Figure f6-levels shows these ranges.

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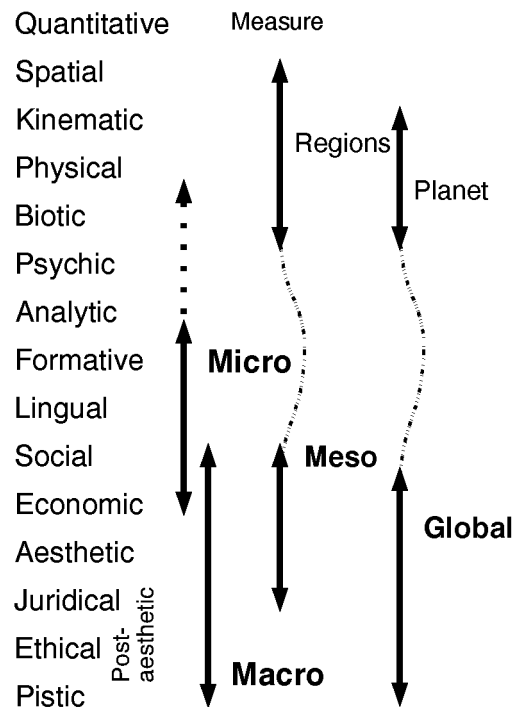


Figure f6-2.7. Aspects important in microeconomics and macroeconomics, and meso and global.

Microeconomics is concerned mainly with the behaviour of individuals and individual companies and others, and thus with the analytical to social aspects, in addition of course to the economic aspect, and also psychical and biotic aspects to some extent. In fact, it must concern itself with all aspects, right up to the pistic and ethical, since individual beliefs and attitudes affect behaviour, but these are not shown.

Macroeconomics concerns itself with 'the whole' of all economic activity within a nation, and hence finds the post-aesthetic aspects of most importance - especially the juridical - in addition of course to the economic aspect. The relevance of the ethical and pistic aspects is that they define attitudes that

pervade society and mindsets that prevail in society, which both impact macroeconomic factors. It overlaps with microeconomics in the economic and perhaps social aspects, and some have suggested that any integration must centre on them, but doing that reduces both and does not do justice to the other aspects that are important.

Mesoeconomics shares some concerns with macroeconomics, but it is also concerned with regions, which makes the spatial aspect important. Regions are not just administrative regions but regions with more-or-less homogenous natural conditions, which makes the physical and biotic aspects important. The concept is still being developed, for example to include sectors of the economy, which would find social, lingual and formative aspects important.

Global economics cannot be reduced to macroeconomics because the latter presupposes an international legal context in which nations' economies operate, while global economics transcends that context, and indeed is itself that context. So, the juridical aspect is seen differently: no longer as expressed in national policies but as responsibility to the planet, the rest of Creation and to future generations. The economic aspect is also different, in that while macroeconomics finds inter-nation exchanges meaningful, global economics does not much. However, the ethical and pistic aspects are relevant in a way similar to macroeconomics, but are even more important: as the culture(s) that dominate global thinking.

Some treat macroeconomics as a mere reified **abstraction**, and indeed each of those levels is a view on economic activity from the perspective of a limited range of aspects, and thus something of an abstraction. But apply Dooyeweerd's aspects allows for some **reality of macroeconomics** beyond mere abstraction: there are laws of various aspects that enable what we see in macroeconomics to occur and that guide it. Thus we may understand and compare and contrast all these levels of economics by reference to aspects they find important. This provides a way of seeing them all as elements of economics as a whole, and from here on we will treat them in this way.

Moreover, an aspectual view opens the way to nuancing what each level finds important, and welcoming **yet other levels** not yet recognised that, while overlapping with these, might not be reducible to them (one possibility being **household economics**, for which the social, spatial, lingual and ethical aspects have special importance).

6-2.6 Repercussions of Functioning: Especially Externalities

Summary: Economic activity has repercussions in all aspects ('externalities'), and generates value or anti-value meaningful in those aspects.

Our economic functioning has **repercussions** (see Chapter 3), a kind of causality (in fact, an analogy of causality) that contribute to, or detract from, Multi-aspectual Overall Good. This is the **generation of value or anti-value**. We will see later that this contribution can be direct or indirect. The economic activity that is purchasing, for example, has repercussions meaningful in the economic aspect of exchange of resources (e.g. goods for cash) and repercussion meaningful in the social aspect of strengthening or weakening relationships, and so on. The economic activity that is the use of those goods generates value or anti-value directly, the type of value (contribution to Overall Good) may be meaningful in any aspect. Repercussions in aspects other than the economic constitutes what are usually called "**externalities**".

Economics - and any good rethink thereof - needs a way to bring repercussions and especially externalities **into the very core** of its theory and

practice. Indeed, from the perspective of economics, the problem of climate change is to be understood as a very important repercussion in another aspect of the reality of which economic activity is a part.

In its narrower meaning, “externalities” refers to (often harmful) impacts *on* economic activity that are not understood via the economic aspect but only via other aspects; in its wider meaning, it can refer to its reverse, i.e. any indirect repercussion *of* economic activity on other spheres of life (sometimes indirectly). This is shown in Figure f6-externalities.

<img src = "pix/f6-externalities.gif" alt = "Economic functioning and externalities 1056,300" width = 352 height = 100

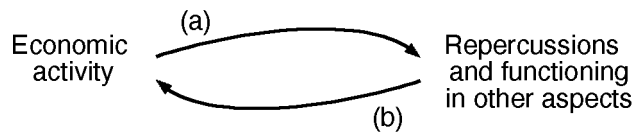


Figure f6-externalities. Economic functioning and externalities: (a) repercussions *of* economic functioning in other aspects; (b) impact of functioning in other aspect *on* economic activity.

Either way, it is bringing other aspects into the centre of economics theory and practice that makes them possible.

Sometimes the effect of economic activity is **direct** (e.g. industrial injuries), sometimes **indirect** (e.g. producing machines that inflict injuries or fertilizer that generates greenhouse gas, leading to climate change). Some impact is short term, some is **long term** (e.g. climate change, attitudes in society). Some is known about (e.g. climate change), some is **hidden or unknown** (e.g. society becoming more selfish or intolerant). Some impact is from production or supply (e.g. chemical spills), some, by changes in behaviour often brought about by marketing (e.g. smoking, leading to lung cancer), some, by subtle shifts in society’s attitudes, mindset, aspirations and expectations (e.g. increased selfishness from use of social media). A very complex picture! (Most of those examples are negative; repercussions can be positive too, as discussed in Chapter 7.) Most economic theory and rules and much practice ignores some of those.

Repercussions of post-social aspectual functioning like the economic can become **widespread** because our functioning in the social aspect means that what one person does, others might do, and yet others, so the impact can be multiplied exponentially. Widespread functioning and repercussions can become visible to macroeconomics. With functioning in the societal aspects <“#“n-scla”>[Note: Societal Aspects], spreading can be even greater, for example government policy-making (juridical functioning) gets most people in its jurisdiction to behave in a certain way - which can then spread socially too. We will discuss repercussions of functioning in the ethical and pistic aspects separately below.

Repercussions of functioning in later aspects tend to take longer to fully materialize, often years for the juridical functioning of policy-making and even decades for some pistic repercussions (Chapter 3). This can explain why the establishment of economic paradigms can be slow and their decline and replacement even slower. What this implies is that our present economic system cannot so easily be changed from Evil to Good - but we discuss this later.

Let us consider the aspectual repercussions of a real-life example, in which aspect names are inserted in brackets, preceded by “-” or “+” to indicate dysfunction or good functioning according norms of the aspect.

Example: **Grenfell Tower fire**, London, UK, 2017. 72 people died when Grenfell tower, a residential tower block, caught fire. An appliance in a lower apartment caught fire, the blaze spread out of that room and up the flammable cladding to engulf the whole tower. It is now acknowledged that the danger was both foreseen [analytical] and deliberately downplayed [lingual dysfunction]. Multiple factors contributed to the spread and the massive death toll, chief among these being a decision to go for the **cheapest bid** to renovate the building, i.e. economics / finance. **Results** of cheapest bid: flammable cladding [physical aspect] installed, so fire spread more rapidly [physical, kinematic] than it should. **‘Causes’** of cheapest bid: Snobbery of Kensington Borough Council, who saw Grenfell as non-prestigious [-pistic, -ethical]; pressure to save money in Council [-pistic, -juridical, +economic, quantitative]; cheating on flammability tests by panel manufacturers [-juridical] so that inadequate [-formative] panels were installed; aim to “maximize sales [of panels] as far as possible” [-ethical]; lax attitude construction companies not bothering to check the claimed (false) fire-resistance of panels [-analytical, -formative, -juridical, -ethical]; and so on. See how many dysfunctions there are!

Note that repercussions of functioning are **not zero-sum**. It is false to assume that if I benefit then you lose out - a falsehood that is exacerbated, perhaps, by monetization. In most functioning, if one party benefits the other can too, sometimes in the same aspect but often with repercussions in a different aspect. When a resource moves from source to recipient, though the recipient gains the opportunity to contribute to Multi-aspectual Good in the aspect in which the resource is meaningful, not only does the source gain perhaps in a different aspect (as long as the exchange is just), but others benefit from the repercussions of the contributing to the Good. When the resource-movement is gift, then this contributes to Multi-aspectual Good in the ethical aspect as well as any other.

Understanding multi-aspectual repercussions can now throw some light on the causes of various macroeconomic measures, to which Romer [2016] gave the labels, phlogiston, troll, gremlin, aether and caloric earlier. The **mechanisms** of these can be explained by functioning in various middle aspects, so that:

- ◆ “increases the quantity of consumption goods produced” come about because firms see opportunities and take them (analytical, formative functioning);
- ◆ “investment ... that increases the quantity of capital goods produced” is a weak form of ethical (self-giving) functioning;
- ◆ “changes to the wages paid to all workers” is usually juridical functioning in deciding what is due;
- ◆ “changes to the price of output” is usually analytical functioning;
- ◆ “increases the risk preference of investors” involves some pistic functioning of belief;
- ◆ “people want less leisure” is functioning in the aesthetic aspect.

However, those are not the **root causes**, which set the mechanisms going, and hence give only partial understanding. Almost all of these tend to come about because of **attitude**, functioning in the ethical aspect. This is usually self-interest and competition (firms want to keep ahead of rivals in the market, fear losing workers and want to maximize their own income, investors likewise want to beat other investors, and “people” are thinking only of their own pleasures). But occasionally the motivation is **genuine generosity**, good functioning in the ethical aspect, as in Quaker Capitalism a century ago, where firms increased wages out of goodwill, or voluntarily kept the price of products low, not to compete in markets but because they genuinely wanted to provide for “the poor”. That low prices might lead to greater market share was often a secondary repercussion

rather than a motivation. Further, whether they functioned positively or negatively in the ethical aspect was influenced by their religious beliefs (pistic aspect). Thus, Romer's phlogiston, troll, gremlin, aether and caloric.

6-2.7 Inter-aspect Dependencies: Structural Retrocipation

Summary: By Dooyeweerd's idea of inter-aspect dependency we can understand the impact of societal structures, and thus link macro to micro economics.

Many today emphasise the role of societal systems or structures in leading to damage and see "system change" as the solution. Others counter with the freedom of the market to bring solutions. Both are wrong in ruling out the other; both bring some insight, as commonsense, Giddens and economists like Mazzucato tell us. [Note: Giddens' Structuration Theory]

Our economic functioning **depends on that of other aspects** (Chapter 3), both pre- and post-economic. Economic functioning depends foundationally on **earlier aspects**, as for example economic exchange depends on social functioning of agreeing value, which itself depends on lingual functioning both of coming to agreement, and also the use of money as a symbol of value, and so on. Its quality depends on our functioning in **later aspects** ("retrocipation"), both societally and individually <"#n-scla">[Note: Societal Aspects]. Economic functioning of an organisation is impacted by the sense of what is right and by laws of the land (juridical aspect) by the attitudes and mindsets (ethical, pistic aspects) of people in the company, especially those at the top.

The Lucas critique of macroeconomics is a step towards recognising inter-aspect dependencies, in both directions. On one hand, changes in policy (juridical and later aspects) might change the econometric rules but, Lucas suggested, we should take the "micro-foundations" of individual behaviour into account, which he also calls "deep parameters." We would see these as the pre-economic aspects, and indeed Lucas [1976] mentions technology, preferences and resource constraints especially, which are largely meaningful in pre-economic aspects of individual behaviour.

The juridical, ethical and pistic aspects are those that enable **societal structures** to operate - legislation, pervading attitude and prevailing mindset (beliefs, aspirations, expectations, assumptions and commitments) - as introduced in Chapter 3. How they work is by retrociprocal impact on our functioning in other aspects, which in turn affects these. Examples of their impact on economic activity include:

- ◆ **Juridical structures** include the legislation and policy by which the economy runs, including tax policy etc.
- ◆ **Ethical structures** include the **pervading attitude** in economic practice and theory, which is largely one of self-interest and competition - dysfunction in the ethical aspect. There is a relatively small amount of positive ethical structure, such as in the gift economy, the voluntary sector and in not-for-profit companies. In our view, it was a great pity that <"smith.html">Adam Smith chose "self-love" to express the functioning of the economic aspect, given how this has been used to justify the selfishness and greed of those who followed him.
- ◆ **Pistic structures** are the **prevailing mindset** (deep beliefs, aspirations, expectations, assumptions and commitments that prevail) across the economy, mainly these days about the supremacy of money (x worship of Mammon x). Again, a structure encouraging dysfunctionality.

Example: In the UK, the train companies relied on the goodwill of drivers to work on their days off; when this goodwill was withdrawn in 2022 (for various reasons not discussed here but not unlinked to mindset-attitude of the management) the companies had no Plan B and UK rail services were completely disrupted.

The discourse in economics is well aware of the importance of juridical structures, but is sketchy on ethical and pistic structures. So we discuss the latter at length in the next section, and find them surprisingly important in the real operation of economic activity.

6-3. Ethical and Pistic Functioning in Economics: Culture

Summary: The culture of economics needs to change, but what is culture and how do we change it? The ethical and pistic are two main aspects of culture, and understanding how they operate therein reveals lets us understand the hidden impact that culture has on economics, and suggests what needs to be done to change culture. Especially, benefit from the experience that religions have accumulated about these two aspects.

Many recent thinkers, such as Ted Trainer [2022], say the culture in economics is deeply awry, and we need a “culture change”. Culture in an organisation, community, nation or society impacts not only life but also economic performance. We hear of “toxic culture” in businesses, schools, universities and other organisations, which jeopardises their success. [Note: Culture]

Predictions often go wrong because **cultural attitudes are ignored**. During the 1930s, Keynes naively predicted that by 2030, people would need to work only 15 hours a week, because this would be enough to satisfy their needs [Crafts 2022]. In the UK, Clement Atlee naively believed that, as people became healthier, by the operation of the new National Health Service, it would cost less to run. Both were wrong. Both ignored the cultural issue that people are greedy and self-serving and always want more, especially in affluent societies where most people have more than enough. Might the EU [2023, 98] be making a similar mistake, for a similar reason, when they blithely state “The rising demand for welfare could partly be prevented through a more even distribution of work and income, but also by greater economic security, preventing rather than treating disease, and by improving community and family capacity for social support, care and social participation.”?

In the related field of environmental problems, Gus Speth once explained,

“I used to think the top global environmental problems were biodiversity loss, ecosystem collapse and climate change. ... I was wrong. The top environmental problems are selfishness, greed and apathy - and to deal with these, we need a spiritual and cultural transformation ...”

But what is culture? Why is it that selfishness, greed and apathy are such a problem (especially when, most believe, Adam Smith extolled self-interest)? And what do they do in economics? What are “spiritual and cultural”? How do they operate, especially in economics? On what basis may we differentiate a good kind of culture or spirituality from a bad kind? And how do we change culture? These are the types of question explored in this section, and sadly they are seldom discussed directly. We will find functioning meaningful in the ethical and pistic aspects lie at the root of all of them. And we will find this helps us understand both the micro- and macro-economic levels together within the same conceptual framework. This enables us to address the question of how to bring about beneficial culture change.

6-3.1 Some Views about Economics and Culture

Summary: People are now discussing cultural and spiritual issues in economics, but few discuss how these operate and what to do. Trainer does, but his ideas need extending.

Guiso et al. [2006] provide a useful overview of the debate about culture and economics. The classical economists like Adam Smith in *Moral Sentiments* recognised the importance of culture in economic activity (Smith actually was against the kind of self-interest that we see today; see our reinterpretation of <"smith.html">Adam Smith. Karl Marx reversed this, seeing culture as emerging from economic and technical conditions. Max Weber reversed Marx, arguing for the importance of religious faith (Protestant Christianity) in establishing Capitalism. Gramsci tried to integrate Marx and Weber. Our multi-aspectual view recognises both directions of impact of culture and economics on each other.

More recently, the Chicago School assumes Marx's view that cultural aspects arise from economic conditions while Karl Polanyi follows Weber, in arguing the importance of religion in both enabling markets and curbing their excesses. Banfield and Putnam likewise argue for the impact of self-centred or altruistic attitudes on economics. Fukuyama argues the importance of trust. Landes [1998, 516] remarks that "if we learn anything from the history of economic development, it is that culture makes all the difference."

As Guiso et al. note, most of the discourse around this 'causal' impact between economics and culture has lacked empirical grounding; they seek to provide some. To do so, they narrow down their definition of culture and argue in three stages to expectations and preferences, then economic decisions, and then that there are strong statistical correlations between economic indicators and cultural factors - especially religious beliefs. They conclude with a set of "exciting" question that still need to be researched.

However, it is one thing to argue *that* culture affects economics or vice versa; it is another thing entirely to understand *how* and *why* they affect each other, and what to do about it. Ted Trainer is one who attempts that. He opens up our understanding of culture and, more clearly and boldly than most, argues why we need culture change. He advocates a change of culture from competitiveness, dissatisfaction and always wanting more, to one of an attitude of contentment, satisfaction and collaboration, which he calls the Simpler Way, or an Eco-village culture. He points out that, in practice, people are happier and healthier in this culture, even if the quantitative amount of money they have might be less. Not everyone need take this attitude, only that a majority of people do. Critiques of Trainer's view have targetted small parts of his argument, Schwartzman [2014] arguing against the need for Degrowth and for reduction in energy use, and Alexander [2014] offering three criticisms, one being his wording, which might alienate some people unnecessarily, whereas we want to bring people on board [Hopkins 2009], one being that there is much "structural lock-in" which hinders people trying to live the Simpler Way, and one being that some top-down, state, action will be needed in addition to the anarchism favoured by Trainer.

In a <"culture.html">separate article on Trainer and Culture, we argue that there are three further, more substantive flaws in Trainer - which are fixable by the multi-aspectual approach. 1. The picture Trainer paints of culture is confusing; we suggest Dooyeweerd's suite of aspects to address the confusion without reductionism. 2. Trainer makes a mistake similar to Keynes, of over-optimism about people's willingness to live the Simpler Way. Sedlacek [2011] argues that always wanting more is the root of almost all problems, which may be almost equally reductionist. We call up on Dooyeweerd's aspects to avoid

reductionism and remind us of our functioning in various aspects, not least people's delight in innovating and achieving beyond what merely satisfies, which is meaningful (and arguably can be good) by the formative aspect, and of our functioning in the ethical and pistic aspects, which is often dysfunctional and harmful as selfishness and idolatry of ideologies like economic growth. (x The latter is what the Judaic perspective sees as human sin of the heart. x) 3. Trainer's solution is likely to be ineffective, relying as it does on education, logic, etc., and not considering the possibility of the right-wing reaction against it that is now in the ascendancy. We draw upon the idea of the human heart (Chapter 3), and the need for Divine action to transform it from "desperately wicked" and "deceitful" to an attitude of "love, joy, peace, patience, ... self-control", along with the empirical evidence that this can change not just individuals but whole culture that is present in cases like the 1904 Welsh Revival.

Other words used to signify cultural issues include spirit, *zeitgeist*, worldview, heart, etc. though they are used loosely and are by no means synonyms. All are to do with deep, hidden influences on our behaviour and lifestyle, including economic activity and orientations, and indicate ethical and pistic functioning, sometimes more of individuals (heart), sometimes more of societies (*zeitgeist*, culture) but all indicate something of both.

6-3.2 Understanding the Impact of Ethical and Pistic Functioning (Culture) on Economics

Summary: Most of what is written about culture of economics is about ethical and pistic functioning, so explicitly treating as such helps us understand culture better.

So we explore how culture (and these) may be understood by reference to ethical and pistic functioning.

As outlined above and in Chapter 3, **ethical functioning** is an attitude towards self and others, either selfish, self-protecting, greedy and mean, unconcerned (negative functioning, ethical dysfunction) or self-giving, open, generous and concerned (positive ethical functioning) - and this is not only towards people but also towards all Creation, including planet, animals, plants, habitats, ecosystems, etc.

Pistic functioning, which may be called our mindset or worldview, is our beliefs, commitments, aspirations, expectations, presuppositions about what is ultimately meaningful, and what is called identity, and it includes these expressed in religious belief and ideological commitments. Pistic functioning is directed towards either what is the true origin of meaning (positive pistic functioning) or towards what is falsely so (negative pistic functioning), towards a "pretended origin" (Dooyeweerd's phrase). (x In most religions, the true origin of meaning is God and false ones are anything other than God. x)

Both ethical and pistic functioning occur at **all levels**: individuals, households, groups, communities, organisations, sectors, nations, societies and even humanity as a whole can be said to function in these two aspects in either positive or negative ways. **Culture** is the unison of many individual ethical-pistic functionings in (tacit) agreement.

As shown in the <"culture.html"> article on Trainer and culture, many of Trainer's descriptions of culture fit into these two. We may also see them in the following examples from everyday experience, and each is meaningful both individually and culturally.

- ◆ "Och, I *can't be bothered* being careful" - ethical dysfunction in individual, impacting economic (waste);

- ◆ “The forest *is nothing but* a resource of timber and land” - communal sectoral or global pistic dysfunction impacting biotic functioning;
- ◆ *Everything is resource* - even people.
- ◆ “We want to be a great nation, so will spend on iconic projects” - pistic dysfunction in government, leading to Useless functioning;
- ◆ “We believe it is right to cancel LDN debts” - pistic and ethical good functioning by governments in 2000, impacting economic, juridical;
- ◆ “We increased profits last year; we must protect our bottom line at all costs” - ethical-pistic dysfunction in a business;
- ◆ “I want to *invest in Good* with my pension, rather than just inflation-proof it” - good ethical functioning by individual, household or business;
- ◆ “We will use *ethical sources* even when not cheapest” - good ethical functioning in business;
- ◆ “*Toxic corporate culture*” - dysfunction in both ethical and pistic aspects in corporations;
- ◆ “I have *three priorities* for the economy: Growth, Growth, Growth” - pistic dysfunction of idolatry by Liz Truss 2022, UK’s Prime Minister for 45 days in 2022;
- ◆ “We put up interest rates / prices as all others do, *to protect ourselves* - in this there is some usually ethical dysfunction by lenders or businesses;
- ◆ “We expect and presuppose ever-increasing material prosperity and ease” - pistic (dys)functioning at all levels;
- ◆ *Greenwashing*, or xxx-washing - appearing to follow an environmental, or any other agenda that follows applauded good, but for selfish purposes and usually only partially (and even, those who say they follow this Rethink, what we might call “*multi-aspectual-washing*”, giving attention to an overlooked aspect as an excuse for the harm we do.
- ◆ *Fear of losing funding* - a major unfelt motivation among e.g. academics for deciding which projects to pursue, resulting in imbalance towards that which is already fashionable and probably more Harmful and Useless - ethical dysfunction (selfishness rather than willing to sacrifice funding for the Good).
- ◆ And so on.

The impact of such things in economics is by no means marginal, but is central and powerful, because the pistic and ethical functioning shapes what we look at, what we plan, what we discuss, with whom we work, where we direct resources, what we see as ‘whole’, especially The Economy, and what policies, laws and legislation we form or adopt (functioning in the analytic to juridical aspects), and these in turn impact the ecosphere and climate as well as human bodily and mental health (functioning in the physical, biotic and psychical aspects).

Their impact is thus indirect and often **hidden**, and therefore seldom recognised, like leaven in bread that spreads unseen and is visible only by its results. Their full impact is also **long-term** and gradual, probably because of foundational dependence on social and aesthetic functioning: spread of ethical attitude and of beliefs and commitment is a social process and full impact requires holistic (aesthetic aspect) functioning across society. (That Nudge Theory might not change behaviour long-term, may be understood as it changing functioning in earlier aspects, but not changing our functioning in the ethical or pistic aspects.) As a result of hiddenness and graduality, they are seldom noticed and often ignored, especially in the short-term thinking encouraged by democratic election cycles. Being both hidden and long-term makes assessment of them tricky, and they are not adequately discussed nor understood, but an aspectual approach draws attention to them and enables systematic understanding.

6-3.2.1 Some examples of ethical functioning's impact on economics

Statistically, was it not the companies founded, against the grain, on ethicality, that lasted 100 years, rather than those founded on self-interest - Lever Bros, Cadbury, Boots, Guinness, and other companies founded to do good rather than just to make money or their own success? "Quaker Capitalism" [Note: Quaker Capitalism].

Beasley [2024] explains why "Generosity (literally) pays" in that, statistically, generous people tend to earn more. Pocsik [2024] gives reasons why generosity is a useful business strategy: it increases connection, makes people feel better, revealing their strengths so that they fit into the work situation better, and it motivates both employees and managers; this is impact of the ethical functioning on the social, psychical, formative, aesthetic and pistic aspects respectively. It is no coincidence that a **Gift Economy** can work well.

Dysfunction in the ethical aspect, which we will sometimes call **dysfunctional attitude**, likewise impacts economic activity, but for ill.

Example: **Stockbrokers** in training are taught to be just, but out in the field they push people to speculate unwisely, because of self-interest.

Example: In 2007-8, **Northern Rock** failed, precipitating the financial crisis. Why? An explanation from the economic aspect is that their collateral was too low. But one question we must ask is why that was so. Northern Rock had chosen a policy of trying to push people into loans that could not be afforded, prioritizing its own interests above theirs, and their salespeople prioritized their own commission above the interests of their customers. At both levels we see dysfunction in the ethical aspect.

Example: **After the Pandemic**. Could it be that giving everyone who was forced to work throughout the 2020 Pandemic (health workers, train and bus crews, waste operatives, etc.) a generous Thank You, would have meant that the wave of strikes that plagued the economy in the years following it would not have happened? Those who had to work ("key workers") were often exposed to great personal risk because of contact with the public. They had acted well according to the ethical aspect. But the UK government, though it did give health workers a 1% pay rise, seemed to have the attitude "The government has already subsidised them enough; it's time to get money back." So it is no wonder that anger emerged and a wave of strikes by such workers. Is it mere coincidence that it was Richi Sunak who led the Treasury at that time, who, after serving as Prime Minister for a short time, led his party to its worst defeat for decades? It was partly his attitude that the electorate disliked. What this might mean for government policy is to ignore the squeals of the affluent at possible tax rises, because "I don't like paying more tax to help the poor" is mainly driven by selfishness and unconcern.

Sadly, very few studies have been made of the impact of selfish and self-giving attitudes on the economy at various levels; **research** is needed.

6-3.2.2 More on pistic functioning's impact on economics

The best-known (and maybe almost the only in-depth) discussion of pistic impact on economics is Max Weber's *The Protestant Work Ethic and the Spirit of Capitalism* [1938], which argues that Protestant Christianity is the major origin of Capitalism. The "spirit" of capitalism is not an economic system, but the belief in the capitalist way. Whether we view the word "Capitalism" as toxic or sweet, the important thing is that it was pistic functioning (religious belief, commitment and worldview) that seeded Capitalism's eventual dominance as a vision for economics.)

Protestant Christianity in its various forms believed that work is no mere economic necessity but is a calling and should be done to the glory of God (and hence fully and with great quality), whereas laziness is a sin - hence wealth grew. Wealth should be used frugally and not wasted - which was helped by some types of ascetism - so households and businesses flourished economically and accumulated greater assets. Baptist Protestants were less ascetic, allowing them to spend on pleasant things, and thus give more work to people, so the economy grew. Growing wealth was seen by some as sign of God's blessing.

Though Weber recognised other seeds of capitalism, in mathematics, scholarship, government and entrepreneurship, he saw Protestant belief as the major one. This aligns with our view that pistic functioning impacts these others (meaningful in the quantitative, analytical, juridical and formative aspects respectively) and works through them to effect change but is the originator of that change. However, he also recognised how capitalism had degenerated since its Protestant genesis into something much more harmful, because of becoming purely secular. Drawing much on the work of Richard Baxter, work was no longer to the glory of God and the good of others but for selfish gain or frivolity, no longer a dignified response to a calling but drudgery forced on us by the economic and technical conditions, especially, Weber pointed out in his time, of machine production.

“In Baxter’s view the care for external goods should only lie on the shoulders of the ‘saint like a light cloak, which can be thrown aside at any moment.’ But fate decreed that the cloak should become an iron cage.” [Weber 1938, 181]

So Protestantism / Puritanism might bear some of the blame for all the evils of capitalism today, in the same way that some might blame Cruikshank’s discovery in the early 1800s that electrolysis could produce Chlorine for all chemical warfare and Nazi gas chambers!

How hypocritical we can be! Capitalism has some valid points, but has become evil. We may identify and properly understand and assess the valid points and those where it is evil using Dooyeweerd’s aspects. (This is an exercise or research for readers to undertake who wish to transcend the battle for and against capitalism, and Chapter 7 might help us.) But we can also see why Capitalism was originally (somewhat) good and became evil by understanding the **pistic shift** from the era of the original Protestants and Puritans to today, about what we believe the ultimate meaning of life and economy to be, as manifested in expectations, aspirations, presuppositions and commitments of the two ages. During the start of the Protestant and Puritan eras, the prevailing religious belief was that working is to the glory of God and fulfilment of the dignity of people, and the wealth it generated is intended to help others, and as a result the cultures that adopted this religious view tended to prosper in ways unknown before in history. But once these cultures turned away from this religious view, people, firms and nations began to treat the wealth as an end in itself, and especially for selfish gain or rivalry, work became a necessity (this view infected Adam Smith and his humanist colleagues) then a drudgery. For a couple of centuries, both pistic views co-existed but the latter gained the ascendancy, into the 20th Century and up to today. Because of this, we could say that we agree with Trainer that we should “scrap” capitalism - as it has become today - though recognise some of its valid parts without that label.

We may treat **Socialism** in like manner, tracing its roots in (Protestant) Christian care and courage, but its degeneration into self-righteous and self-centred anger, especially via Marxism.

6-3.2.3 Mutual ethical and pistic reinforcement

Often the pistic and ethical aspects function together. Though fundamentally irreducible to each other, they often **mutually reinforce each other**, towards either Good (commitment and selflessness) or Evil (idolatry and self-centredness). It is belief whether self-giving or selfishness are good that motivates us to take one or the other attitude (and, sadly, many economists, industrialists and politicians misinterpreted Adam Smith to believe that selfishness is good). Pistic commitment to God or some cause requires some self-giving thereto.

At the macro level of society, Holland [2019] argues that **concern for the marginalized** did not emerge from Greek or Roman culture, which are an important foundation for Western culture, but from Christianity, and Scrivener [2024] argues likewise: a belief system emphasised self-giving love. Greek and Roman cultures emphasised individual or national military or intellectual or aesthetic prowess.

At the organisational level, we can see dysfunction in both aspects as constituents of **groupthink**. There is a common narrowed, one-sided presupposition about reality. Members of the group all want recognition and esteem for themselves within the group.

At the sectoral level, we find mutually reinforcing combinations. For example, in the British poultry industry.

In the UK for the past few years (to 2023) Avian Flu has decimated many species and populations of wild birds and also has infected 'kept' birds like poultry on farms. The **belief and assumption** of the poultry industry (and government) is solely that wild birds are 'problem' that threatens the economics of the sector. The **self-centred attitude** is to protect the industry alone. That wild birds are fellow victim with the kept birds, which humans have a duty to help, is not recognised by them (except occasionally as an add-on). It is recognised, however, by the nature charities.

It is not all negative, however. We saw something of a positive ethical and pistic functioning during the Pandemic. People were helping each other, were willing to forego many usual non-essentials, crime dropped, and people recovered a love for the natural world, because they believed this was important. Not fully, of course, but we certainly saw something that does not usually occur. Let us never forget that human beings have this hidden within them, even if also much that is evil.

(It is a pity this does not happen with the less immediate threat of climate change and biodiversity loss; is it because we in affluent cultures have turned away from our sense of responsibility towards God and towards God's Creation, and even the very ethical-aspect sense of serving others as such?)

6-3.3 Changing Culture

Summary: How can we change problematic mindsets or attitudes? Pistic and ethical problem requires pistic and ethical solution.

To Trainer, a good culture is that of the Simpler Way or Eco-villate. But that is probably neither feasible in today's highly differentiated society, nor necessary if we take multi-aspectual functioning into account. Our view of a good culture would draw on our understanding of functioning in the ethical and pistic aspects, such as in the following:

- ◆ Belief in the mandate of economics as contributing to Multi-aspectual Good rather than to merely economic growth (see <"r4-mmm#s-maog.html"> Chapter 4);
- ◆ Recognising all other aspects or spheres of life in which economics is embedded (see Chapter 4);
- ◆ Firms making some Good their top purpose, rather than just survival, profit, growth or rivalry (c.f. Quaker Capitalism);
- ◆ Willingness to give up rivalry and competitiveness as that which guides policy;
- ◆ Willingness of an affluent nation to shrink their economy (see Chapter 7) or a sector that does harm to shrink (Chapter 7);
- ◆ An attitude of trust and willingness to give for Good and lend to the poor despite their lack of credit score (e.g. Muhammad Yunus micro-credit);

- ◆ Being willing to recompense harm we have done, rather than defend ourselves (see Chapter 5);
- ◆ Seeing money, not as 'mine' or 'ours', but as a flowing to enable functioning that contributes to Multi-aspectual Good (see Chapter 8);
- ◆ Not taking any of the above (and others we might add) to foolish extremes, but holding to them all with wisdom.

How many of those are true of us and of the institutions that lead our cultures (businesses, media and government especially)? Not many at all. Though they echo Trainer's Simpler Way, they are not identical. Without most of these in play, things will keep on getting worse. But how do we achieve such changes towards a good culture? And how can we do this fast enough in this period of what many call the climate emergency?

What we have is a pistic-ethical problem, and this needs a **pistic-ethical solution**. Information, argument, education (advocated e.g. by Trainer), economic incentives, comedy, behaviour change and legislation have all been tried but usually either do not work or work only partially and too slowly. Changes in functioning in aspects earlier than the ethical and pistic (lingual, analytical, lingual, economic, aesthetic, psychical and juridical aspects respectively) do not bring about changes in them. Indeed, the changes we bring about in the earlier aspects are influenced deeply by our ethical and pistic (culture) functioning. Earlier-aspect changes are needed, but only *after* changes in ethical and pistic functioning, without which earlier-aspect changes would ultimately be ineffective. They might even be counter-productive; for example laws involve compulsion, which generates reaction, and education and information can become brainwashing and/or a Cancel Culture (as Trainer recognises).

Relying on action meaningful in earlier aspects to change culture is too slow for addressing the climate emergency, but if we recognise the need for direct change of ethical and pistic functioning, the changes might be faster.

Change in ethical functioning, from selfish to selfless, requires an act of the will. This is possible - though challenging - even in the face of psychological handicaps or social pressure because the ethical aspect is irreducible to such earlier aspects. **Change in pistic functioning** requires repentance, away from the partial and "pretended origin" towards the True origin of meaningfulness. The True origin of meaningfulness is Reality (x which religions see as God and the laws God instituted for operation of Creation x) [Note: Realisms].

Repentance, a 180 degree change of direction regarding what is of ultimate meaningfulness and importance to us, makes it easier to abandon selfishness, and this in turn makes repentance easier. We can change at both micro and macro levels if we repent. But repentance is difficult for the individual because it is a kind of uprooting and can feel like even humiliation, and it takes courage within our social context because it is usually a complete reversal against prevailing beliefs. It needs a lot of perseverance. But courageous individuals have, in the past, brought about major changes (e.g. Abolition of the Slave Trade), often at great cost to themselves. Such people set an example that others follow because what they advocate and do is felt deep in the human heart to be 'right'. Repentance can be instantaneous and, if enough people in a culture repent then this can effect a **fast change in the culture**.

Our **affluence** is not to be seen as a right or aspiration but as something to repent of - people and government, industry and media, academia and homes all together; in Chapter 7 we discuss how much of our economy is devoted to what Adam Smith called "baubles and trinkets" - without which we would probably be a lot happier and healthier and environmental damage would reduce.

Religions have a wealth of expertise on goodness and faith on which it could be wise to draw, as discussed in Chapter 3. Most religions offer motivation to act rather than just think or discuss. Judaism offers the insight that human beings are sinful and can repent. Christianity offers the insight of the Spirit of God changing the very heart of people, such that their very attitude and mindset changes permanently. Christian history has examples of what have been called “revivals”, in which so many people repent and have their heart changed that the very culture can change in months rather than centuries. Such insight is worth considering seriously - and acting on!

Once ethical and pistic functioning change, then action in the other aspects (education, changes in legislation, economic incentives, etc.) becomes more effective because it is no longer diluted, resisted or subverted but broadly welcomed. Indeed, such earlier-aspect action will be needed to complete the change. (That answers the objection that “Saying sorry is not enough” because indeed action is taken.)

Bringing in religion or ideology can carry its own dangers, however, of religious or ideological enforcement, virtue policing, etc. We already have that in societies ruled by religion or ideology, such as Mediaeval Europe, the Soviet Union, Iran or China, and even, ironically, in Progressivist cultures of the USA, Europe, UK, etc. (where it could be argued that Progressivism is their prevailing ideology), and in the anti-Progressivist backlash. The solution to or prevention of that problem is likely to be, not to bar religion from entry into the debate, but to look at the heart attitude and mindset at the root of those dysfunctional repercussions.

Tyranny of the prevailing opinion affects most of us, and if that opinion is somehow harmful, we need to escape it. This is where **courageous people** come in, who can go against prevailing expectations, aspirations, assumptions and attitudes - but in a self-giving way that does not make their own rebellion a mere self-fulfilment.

6-3.4 Conclusions on Culture: Ethical and Pistic Functioning

As Speth, Trainer and others have said, a deep problem in economics is culture. By understanding society’s prevailing pistic and pervading ethical functioning, we can throw light on Speth’s rather amorphous “**culture**”, and avail ourselves of a more precise, systematic understanding of what culture and what its effect on economic activity is at all levels (and how, vice versa, economics can affect culture) and we have erected a signpost to a direction to take to change culture. Largely, we agree with Trainer’s vision of the need for a Simpler Way, but not entirely. We do not call to “scrap” capitalism, but we do require a heart repentance and change of attitude so that, if we do retain elements of capitalism, we do so in a completely open attitude, being *willing* to scrap it if necessary rather than holding onto it (idolising it), in which we understand all its aspects, good and evil. (Similarly with socialism.) We will discuss how to look at this in Chapter 7.

This, we suggest, gives a broader and more secure foundation for rethinking economics than Trainer’s view of a Simpler Way, and one that is able to properly address the complexities of today’s economics, with more hope of the possibility of culture change than afforded by attempts to resurrect Trainer’s Eco-village.

In this and the section on multi-aspectual functioning, we have developed a foundational understanding of functioning in all aspects of economic activity, at all levels, including those of culture as well as economically qualified entities. With this we can rethink issues in economics, as exemplified later. But first, how may we look at and study this in practice?

6-4. Our Model and How To Use It

Summary: A model of economic activity based on Dooyeweerd's ideas, and how to use it to understand things.

To draw all this together, we present a model of economic activity that might be more useful than traditional ones like the self-interested rational economic actor (*Homo economicus*).

6-4.1 The Model

Summary: The model in simplified and detailed form: multi-aspectual functioning generating (anti-)value, and our viewpoints.

Our model sees economic activity as:

- ◆ **multi-aspectual functioning**
- ◆ generating **value and anti-value**,
- ◆ in which our focus on ranges of aspects determines our **viewpoint** (micro, macro, etc.) and what we **overlook**.

In more more detail on each of these, we understand economic activity as **fully human beings** who

- ◆ (About multi-aspectual functioning)
 - » **function in every aspect** simultaneously [6-2.2],
 - » though, in economic activity the **economic aspect** is of central importance, with the objects in that functioning being treated with respect as resources, [6-2.1],
 - » but its functioning **depends on** functioning in other aspects (such that functioning in the other aspects either enables or shapes the economic functioning) [6-2.7], of which
 - » the **ethical and pistic functioning** is of supreme importance because it shapes our behaviour in all earlier aspects [6-3].
- ◆ (About generation of value and anti-value)
 - » **Value or anti-value** is generated by **repercussions** of this multi-aspectual functioning contributing to Multi-aspectual Overall Good [6-2.6],
 - » whether value or anti-value is generated is governed by whether the functioning and repercussions are **Good or Bad / Harmful** in each aspect (either contributing to or detracting from Multi-aspectual Overall Good) [6-2.3], with
 - » the **kind of value** or anti-value being governed by the target aspect(s) thereof - those aspects which most make the kinds of resource and repercussions meaningful - which is not confined to the economic [6-2.4].
- ◆ (About viewpoints)
 - » A **microeconomic, macroeconomic, meso, global** etc. viewpoint is not different economic activity but is a focus on certain ranges of aspects [6-2.5],
 - » in all of which functioning in the **ethical and pistic (cultural) aspects** is of supreme importance, especially longer-term, yet often **overlooked** [6-3].
 - » In **economic measuring, analysis or planning**, we must be aware of which aspects we are prioritizing ensure we do not completely ignore the others - especially not the ethical and pistic, and take account of aspectual **basic laws** of all aspects [6-2.3].

Each of those points expresses a component of a Dooyeweerdian understanding of aspects and functioning. Notice that the model does not

presuppose exchange, nor money (though money may be one of the **objects** involved in the functioning) so that **unpaid** work is as meaningful as paid. Nor does the model presuppose optimization. The model applies equally at all levels (allowing us to bring micro- and macro-economics together) and does not presuppose stable economic conditions but can apply to any.

The model can critique and enrich **extant models**. Mathematical models depend on viewpoint, and thus can incorporate knowledge of more aspects. The self-interested rational economic actor can drop the self-interest as dysfunctional and extend to the rationality of all aspects not just the economic. Behavioral economics can eschew its reduction to the psychical aspect and recognise all aspects (as many of its proponents try to do without realising it). Thus all may be part of a whole picture.

6-4.2 How to Use the Model in Practice and Research

Summary: We may study multi-aspectual functioning by examining situations (and reports) closely to find out in which aspect each detail is meaningful, and then see how the aspects link together.

But how would we apply or use such a model? The key is to understand that all human activity **exhibits all aspects**, at least in principle, so we may study or understand or guide human activity by reference to aspects.

Multi-aspectual functioning is highly complex - because of its multiple ways of being meaningful and how these ways intertwine. However, as set out in Chapter 3 **aspectual analysis** can help us understand complexity by separating out what is meaningful in each aspect. It is intuitively attractive relatively easy to do in practice because the kernel meanings are better grasped by intuition than by theoretical thought. Aspectual analysis takes various forms - analysis of things, of situations, of reports, of interview transcripts, videos, and even within actual ongoing situations (see Chapter 3 for examples). For a worked **example of aspectual analysis** consider the following account.

“Water from the Perth hills is being extracted for sales of bottled water by Coca-Cola Europacific Partners. Residents and orchardists in the Perth hills have raised concerns about groundwater being extracted for bottled water. The water has been extracted legally by Coca-Cola Europacific Partners since the 1990s. Residents are calling for more transparency about how water is being removed, amid drying climate conditions. Over the past six months Perth has experienced a record-breaking dry spell, recording the lowest rainfall since records began almost 150 years ago. Ms Chmielewski said ‘... The problem that we’re having now with this dry summer that we’ve had is that we’re running out of our groundwater to irrigate our trees.’ When her family first bought the orchard in 1955, a dam used to irrigate the property would refill overnight, replenished by underground streams. ‘That doesn’t happen anymore, so we’ve had to actually put bores in to supplement the dam water so that we can irrigate our trees,’ she said. Amid such dwindling supplies, she questioned why water could be extracted for bottled water sales, and said she would like to see draw limits reviewed more frequently and by an independent body.” We could ask, “Why does not Coca Cola voluntarily draw less water to help its neighbours: orchards and farms?” [Smith & Wynne 2024]

We can analyse aspectually by asking, for each utterance of phrase, “Which aspect makes it meaningful here? Why is it included rather than omitted?”:

- ◆ Water Extraction: formative (physical, kinematic)
- ◆ For bottled water: much is consumed for pleasure rather than need - aesthetic
- ◆ Legally: juridical
- ◆ Transparency: lingual, juridical
- ◆ Irrigation: biotic (kinematic, physical)
- ◆ Running out of water: economic, physical, biotic
- ◆ Record low rainfall: quantitative, physical, with biotic importance.
- ◆ Family owned orchard: juridical, spatial, social
- ◆ Replenishment: physical

- ◆ Draw limits reviewed more frequently: economic, juridical
- ◆ That Coca Cola could voluntarily reduce draw for the sake of neighbours: ethical.

During analysis, sometimes we must recognise that some concepts are used analogically; for example, transparency is a metaphor (so as to prevent misunderstandings during discussion): Transparency is, originally meaningful in the physical or psychical aspects, but here it is used analogically for lingual and juridical functioning. It is good to ensure that such metaphors are explicitly recognised so as to avoid misunderstandings.

The multiple aspects involved show why such situations are so complex and why simple solutions, which usually focus on one aspect (often the economic or juridical), will usually not work well over the longer term. We often discover ones that were **unexpected or overlooked**, such as the final one, and thus introduce perspectives that are 'outside the box'. Aspectual analysis can reveal underlying attitude or motivation, which have hidden, indirect, longer-term impacts that shape economic activity.

Having separated out the various issues or concepts like that, we can further analyse them quantitatively or qualitatively, as outlined in the page on <"#">Aspectual Analysis. In quantitative analysis, the occurrence of each aspect can be counted, often distinguishing Good from Bad.

In qualitative analysis, the "rich picture" that emerges can then prompt questions that take us deeper, either by focusing our questioning on each aspect in turn, and/or by challenging us to think about how functioning and repercussions in each aspect relates to others. For example, how would transparency help? We can answer by reference to inter-aspect dependency or targets. This helps us understand more clearly, by showing where various faults might lie, and perhaps by reducing distrust (analytical, juridical and ethical aspects). For example, why is lack of irrigation a problem (such that for example Coca-Cola might just provide income for all the people so that they do not have to grow trees)? Because not only is the economic aspect important, but also social and pistic aspects, of relationships, community and dignity and meaningfulness of work. Most such issues are, of course, known about, but the aspectual framework offers a foundation on which to build **systematic** thinking.

Since the aspects are normative, such an analysis can highlight good and bad in the situation without having to 'bolt on' ethics etc., and perhaps provide guidance towards solutions. The biotic harm from lack of irrigation is highlighted. But the possibility of Coca-Cola voluntarily curbing its extraction of water (functioning well in the ethical aspect) is not just a possibility but a normative one, i.e. one that will bring benefit to all, including themselves. And because the aspects transcend all, both 'sides' in this situation can understand the other (if they are willing), both the valid and dysfunctional of each. How to think about Good and Bad / Harm (and Uselessness) is discussed in Chapter 7.

Aspectual analysis is also useful for identifying where and in what ways extant economic theories (and our practical understanding) might be oversimplified or flawed in some other ways. The next section gives some examples of how the ideas offered in this Chapter can be applied to some concepts, models or theories in economics and affirm, critique and/or enrich them.

6-5. Some Paradoxes in Economics

Summary: Many paradoxes in economics may be resolved by understanding the importance of aspects that have been overlooked or confused.

Here we attempt to resolve various paradoxes in economics with the help of aspects. In most, the paradox arises from limiting, to the economic aspect, attempts to explain functioning in other aspects. In many, it is the ethical and

pistic aspects (attitude, mindset) that are ignored. Dooyeweerd's famous example is the paradox of Achilles and the tortoise, which arises when the kinematic aspect of movement is ignored, reduced to the spatial aspect of a sequence of positions. Similar reasoning may be applied in economics.

6-5.1 Jevons' Paradox: Efficiency Does Not Decrease Scarce Resource Consumption

Summary: Jevons' Paradox, that more efficiency sometimes leads to more, not less, total consumption, may be resolved by understanding the aspectual functioning that is going on.

The Problem Addressed: Jevons' Paradox is the counter-intuitive overall increase in the use of a resource, due to improvement in the efficiency of its use or of its production. Jevons studied consumption of coal when the Watt steam engine was hoped to reduce use of Britain's limited stocks of coal because it was more efficient. He found the very opposite, "It is a confusion of ideas to suppose that the economical use of fuel is equivalent to diminished consumption. The very contrary is the truth."

Today, we see something similar, in that, because mobile phones or LED lighting is believed to use relatively little power, many more are purchased than before, and they are left switched on, and overall power consumption increases. It is very important today, because of the need to greatly reduce energy consumption in affluent cultures.

Through the lens of economics, the unexpected increase in overall consumption is caused by a fall in its price because of increased efficiency of production. Additionally, improved efficiency accelerates economic growth, further increasing the demand.

Problem with Standard Approach: Empirical evidence is hard to obtain. And Brookes [1984] argues the causality is reversed: energy drives economic systems rather than them creating a demand for energy. But why does demand increase? It does not always do so.

Our Response: Why and when demand increases may be explained by the pistic aspect, of aspiration and expectation, especially when people see their peers purchasing more. Part of the answer also lies in the aesthetic aspect, which encourages the purchase of <"r7.html#s-ness">non-essentials, even when prices do not fall.

Likewise, if energy drives economic growth, we must ask why energy increases. Again, the answer would seem to be the pistic and ethical aspects - the aspects that constitute culture of economics and especially the energy industry, of beliefs, aspirations, selfish ambition and the like.

So, to understand Jevons' Paradox, we need to take at least those aspects into account, not just the economic.

6-5.2 The Apparent Paradox of Smith's Invisible Hand

One of the favourite pastimes of economists in the 20th Century was to discuss the paradoxical nature of Adam Smith's idea of the Invisible Hand [Andreozzi 2004]: "According to a standard reading of Smith, selfish and myopic people are led by an 'invisible hand' to perform actions that contribute to overall social welfare, though none of them is actually trying to bring about such a result." This is not what common sense would expect, and it runs counter to the Prisoner's Dilemma ("The Prisoners' Dilemma shows that the logic of the invisible hand does not necessarily work, or, if one prefers the opposite formulation, the invisible hand shows that not all human interactions resemble the grim Prisoners'")

Dilemma.” [Andreozzi, 3] Andreozzi tries to resolve that paradox by noting that The invisible hand ceases to hold in the presence of public goods, while market failures can be solved through the market if property rights are clearly defined and transaction costs are negligible.” But of course, neither of those strictly hold.

We may resolve the paradox in a different way, by the idea that **aspects are irreducibly distinct**. In our <“smith.html”>Critical Yet Gentle Understanding of Adam Smith we suggest that the idea of invisible hand refers to “the working of the laws of each aspect”, which can continue to operate for Good even if we function harmfully in other aspects, because each aspect is irreducible to others and there is no deterministic ‘causality’ between aspects. So, in this case, even though many are selfish, our economic functioning can still provision the poor with resource.

6-5.3 The Prosperity Paradox

The Paradox of Prosperity is that a generation characterized by prudence and diligence is followed by a generation characterized by its opposite, namely what Veblen calls a “leisure class”, which consumes without manufacturing, is led by feelings more than principles, and lack a spirit of sacrifice, and lack the will to re-create or advance the social ethos created by their parent’s generation [Morris & Salamone 2011]. Prudence generates material prosperity, but if the culture’s attitude is self-centred and its mindset is to worship material comforts (dysfunction in ethical and pistic aspects), then this is exactly what would be expected. As Morris & Salomone remark, “they move values toward behaviour, rather than behaviour toward values” - which is a pistic functioning of the rejection of the importance of values.

The authors find that this goes in cycles, with the next generation reversing some of this hedonism. But what explains that half of the cycle, of the next generation becoming more prudent and responsible? That is seldom discussed. However, because we are going against aspectual laws, the squandering eventually hurts, and humanity cannot escape that, the next generation or so recognises the reality of the economic aspect and reinstates some values.

6-5.4 The Easterlin Happiness Paradox

The paradox, highlighted by Easterlin [1974], is that growing GDP does not increase happiness in already-affluent cultures, but sometimes even reduces it. Some economists have tried to explain it by arguing that inequality could partially explain the paradox, and indeed this is likely. However, in past generations, inequality has not always made people unhappy. A deeper explanation may be that injustice-to-me (juridical aspect) makes people angry because of the mindset that “I should have as much as the next person” - pistic functioning.

6-5.5 The Technology Productivity Paradox

Investment in information technology is expected to increase productivity. Yet the opposite happened in the USA in the 1970s to 1990s, during which computing capacity increased a hundredfold but labour productivity growth slowed from over 3% in the 1960s to roughly 1% in the 1990s. After all, was not I.T. sold to firms on the expectation that it would reduce the amount of time taken to undertake mundane tasks within business? This may be explained by beliefs about technology being misled, often by persuasive marketing that employed over-simplified logic (pistic, lingual and analytical functioning), by major I.T. investment decisions being made by top management who did not experience the day-to-day tasks actually carried out (social dysfunction), and by the Jevons-like increase in the amount of those activities that were believed to be being

made more efficient (e.g. email takes less time than letter-writing, but we send many more emails than we did letters, and we are now trapped in having to service all those messages that rain on us), because we gravitate to doing more and more non-essential things (often aesthetic functioning).

6-5.6 The Value (Diamond-Water) Paradox

Although water is on the whole more useful than diamonds, in terms of survival, diamonds command a higher price in the market. Adam Smith noted this and described it by differentiating value in use from value in exchange, but he is thought not to have solved the problem. He did not explain why there the two differ. Some attempt to explain it based on rarity, but that does not fully work. We may perhaps bring in, in addition, our functioning in the aesthetic aspect - the beauty of diamonds - the social dysfunction of the Emperor's New Clothes (tacit agreement on falsely inflated market prices for certain goods), and the ethical dysfunction of selfishness of wanting to appear superior to others.

6-6. Understanding Some Issues in Economics via Aspectual Functioning

Summary: This section demonstrates how the above understanding can help us rethink concepts, practices, paradoxes and problems in economics.

Here we will work through some examples of concepts and theories using the above understanding to reveal fresh insight. They show that, while each seems to make sense through the lens of the economic aspect (as economic theory attempts to do), a full understanding, which is needed for real-world economics, requires understanding other aspects too. Using the LACE methodology (Listen, Affirm, Critique, Enrich) with aspects as our conceptual tool allows each theory or concept to be rethought, and especially enriched rather than replaced.

6-6.1 A Richer Understanding of Poverty

Summary: We redefine poverty to recognise all its aspects, not just numerical amounts of money. Similarly inequality. This will both enrich theory and make policy more successful.

See < "poverty.html" > full discussion of poverty, of which the following is a summary.

The Problem that is Poverty:

- ◆ Poverty restricts people, in most aspects of life.
- ◆ In most cultures, poverty is shame - though in a few cultures poverty is seen as spiritually positive.

Problems with Extant Discourse:

- ◆ Some define poverty quantitatively.
- ◆ Several theories each focus on one or two aspects alongside the economic, so are limited in their understanding of poverty.
- ◆ Some intuitive definitions, such as Lister's one in terms of dream fulfilment, do tacitly acknowledge a wide range of aspects, but not explicitly.
- ◆ And few discuss which dreams ought to be fulfilled.

Our Approach:

- ◆ Poverty is multi-aspectual. Each aspect provides a different meaning to poverty.
- ◆ Therefore all definitions of poverty should take all aspects into account.
- ◆ And all theories and paradigms of poverty should take all aspects into account.

- ◆ Causes of poverty operate in all aspects, with inter-aspect dependency.
- ◆ Therefore all attempts to tackle poverty, at all levels from individual to global, should action every aspect.
- ◆ The ethical and pistic aspects (attitude and mindset) are especially important in all the above, because of their powerful yet hidden retrocipatory impact on our functioning in all earlier aspects.

6-6.2 Inequality

Summary: Both the causes of inequality, and what is actually problematic about inequality are usefully understood and discussed by reference to Dooyeweerd's suite of aspects.

Inequality can be treated like we did poverty, as multi-aspectual functioning with circular multiple 'causalities' in which mindset and attitude have a very deep influence.

This contrasts with views based purely on quantitative-economic rationality or meaningfulness, as in Gini and 10-90 Coefficients. It also goes beyond Piketty's [2014] famous idea that inequality is an inevitable result of capitalism on the grounds that return on capital will usually exceed returns from labour. Such attempts to understand inequality take a mainly economic and quantitative viewpoint, which we believe is not enough, because these are only two aspects out of many that are important.

Some of Piketty's critics argue the need to incorporate **other aspects** [Topel & Murphy 2015]). In fact we find that even Piketty found it was necessary to bring in factors meaningful in other aspects, such as education, skills, the state intervening, monetary injustice, threat to democratic order, technology (lingual, formative, juridical), and, later, ideology (pistic), though some of these in a rather thin way. Even his 'r' or rate of return on capital includes multiple things, each of which is at least flavoured with various aspects. In addition, his blaming of capitalism is too simplistic; several versions of capitalism, such as Quaker Capitalism, try to overcome the propensity to inequality by addressing various aspects. (For balance, we must mention Communism as itself a breeder of inequality, especially with wealthy elites at the top.)

Elsewhere we argue that the presence of self-interested, unconcerned, arrogant elites is part of the deep sinfulness of the human heart, and it occurs whatever the economic or political system (Capitalism or Communism). So, again, our foundation for rethinking economics **transcends political or economic ideology**.

Understanding inequality as multi-aspectual functioning takes two ways. First, **inequality can arise from** factors meaningful in nearly all aspects: health (biotic), mental health (psychical), confusion (analytical), lack of skills or technologies (formative), information (lingual), social role or status or lack of relationships (social), lack of resources (economic), disharmony (aesthetic), injustice (juridical), self-centredness in both the greedy and the victims (ethical), idolatry or meaninglessness (pistic) - and other factors meaningful in each aspect. Thus Dooyeweerd's aspects can alert us to issues often overlooked and invite us to probe issues more deeply.

Second, a question must be directed at inequality that poverty does not need: **What is really wrong about inequality?** People having different amounts of money is not necessary an evil. What is problematic about inequality is often meaningful in the juridical aspect, and then others. It is by reference to aspects that we can answer clearly: inequality can be a symptom of juridical dysfunction as injustice or oppression, or some other evil. Tackle this directly (not forgetting

externalised injustice to the ecosystem and the Planet (as discussed in Chapter 9).

Thus taking every aspect into account meets the challenge of both in what contexts and how to tackle inequalities.

6-6.3 Reparations for Historical Wrongs

The issue of making reparations for past wrongs, such as slavery, has been hotly debated recently, with one study suggesting that Britain owes £18 Trillion in reparations [1]. On one hand, the wealthy nations would seem to have benefited from gaining wealth by robbing other nations in the past and that wealth has grown today. On the other hand people of today cannot be held (casually) responsible for what people did 300 years ago. Impasse!

With a multi-aspectual approach might we be able to tease out the various meaningful elements of the issue of reparations, and possibly break the impasse?

To do this, we shift our thinking from abstract ideas of accountability, and from entities like money and reparations, to the **aspectual functioning** - three of them, that which is taking place on both sides and that which took place in the past. Note: these are all examples, and by no means any final say; readers must **discuss** them and come up with others.

Examples of aspectual functioning of those who want to make reparations. What is meaningful is:

- ◆ Juridical: We today owe a duty to those our ancestors harmed, and it is at least as great as our duty to those near-and-dear.
- ◆ Ethical: Generosity. Willingness to sacrifice our current level of affluence, comfort, convenience, pleasures, etc.
- ◆ Pistic: We should be generous. We believe that what our ancestors did needs to be atoned for. Dysfunction: We are superior to those who resist.
- ◆ Aesthetic: We have harmony with the past. We are intimately connected with the descendants of those whom our ancestors wronged.
- ◆ Economic: The value of proposed reparations. We do have enough resources to make these reparations - possibly over time. The resources we have arose from past evil.
- ◆ Social: Relationships with those to whom we should pay reparations.

Examples of aspectual functioning of those who resist making reparations:

- ◆ Juridical: We today are not causally responsible for past evils, so we should not be held accountable.
- ◆ Economic: The value of proposed reparations. We cannot afford trillions.
- ◆ Ethical: Self-protection (dysfunction). Unconcern (dysfunction).
- ◆ Pistic: Our duty is to those near-and-dear, not to unknown people who are likely to waste money in corruptions.
- ◆ Aesthetic: We have no harmony with the past except a strict cause-and-effect.
- ◆ Social: Our relationships with those to whom we resist paying reparations must be a distant one, and certainly to our advantage.

Aspectual dysfunctioning during the past when evil was done:

- ◆ Pistic: Belief that Africans (especially) sold to slave traders were not fully human. (Dysfunction: holding fast to false belief.) Belief that slaves are property, and that property is an absolute 'good'. Rivalry between Britain and France (at war).
- ◆ Ethical: Unconcern about others. Unwillingness to think about the issue. Lack of mercy by slave traders.

- ◆ Juridical: Injustice to those enslaved. Legislation that enshrined injustice and lack of mercy.
- ◆ Aesthetic: Fracture among nations and peoples. Desire for sugar, cotton for fashions, etc.
- ◆ Economic: Our economy depended on slave labour.
- ◆ Social: No relationship with slaves.

it is not just economic not juridical, but pistic belief about what is right and then ethical self-giving. Without these economic action will not work but will just bring resistance and reaction.

6-6.4 Labour and Use

Summary: Understanding labour as multi-aspectual functioning led by the formative aspect that makes productiveness and quality meaningful, helps us deal with labour-related issues more clearly.

In Chapter 5 we discussed labour value and use value, both deriving from contribution to Multi-aspectual Overall Good (or Harm, in anti-value). Here we look at the functioning of labour and use that generates that contribution, actualizing the value. Use is usually with an object produced by labour (hence "products"), for example eating food, writing with a pen and paper or dictation app on device, befriending someone with a gift, painting with a brush and paints. Labour is what produces the food, pen, app, gift, brush and so on. We may interpret the earlier <"f5-val.html#s-labv"> Figure f5-luog as showing not value but functioning. Functioning in use directly contributes to Multi-aspectual Good (or Harm), as:

<img src = "pix/f6-luog.gif" alt = "The functioning of labour and use contributing to Multi-aspectual Good 1808,600" width = 603 height = 200

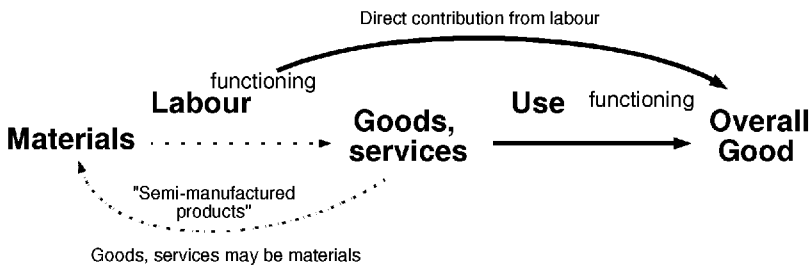


Figure f6-luog. The functioning of labour and use contributing to Multi-aspectual Good

The activity that is use makes direct contributions to Multi-aspectual Good, whereas while functioning in labour can make two contributions, indirect and direct. The indirect contribution is via the functioning that is use of its product, its direct contribution is from the multi-aspectual activity that is labouring.

Whereas other sections might discuss extant ideas and their limitations and then discuss how our approach address those limitations, which is the format of academic papers, this section reverses this, presenting our framework for understanding labour and then applying it to individual issues, which is more common in professional writings. Doing it this way is merely to demonstrate how it could be done.

6-6.4.1 Understanding labour with Dooyeweerd

Summary: We understand labour as multi-aspectual functioning that generates an object intended for someone else to use, some aspects having special roles.

What is labour? Rather than assume it as a black box, various pieces of the above can help us understand labour and use, the relationship between them and the norms that guide them. We may use the above Dooyeweerdian understanding of economic activity to understand labour and use value in a different way than usual.

Subject-object functioning. Use of products in life is functioning as subject in various aspects with objects meaningful in that aspect (food, pen, paper, app, gift, brush, paints). This functioning contributes to Multi-aspectual Good meaningful in one or more aspects and that is the value of the object (or anti-value if Harm). Labour is that functioning which produces the object. In a modern, differentiated economy, labour uses objects that are generated by yet other labour: the chain of labour.

Main aspect of labour. The main aspect of labour is the formative, the aspect that makes production, achievement, etc. meaningful. Its kernel norm may be expressed here as **productiveness-with-quality**. Going against the norm, with laziness or shoddiness, reduces the quality and quantity of products. (We call it productiveness rather than productivity, because the latter has misleading connotations of quantitative measuring.)

Target aspect of labour. Labour produces a product of a particular kind, meaningful mainly on one or more target aspects (biotic, lingual, social, aesthetic in the examples above).

Main aspect of use. Use of a product is multi-aspectual human activity, in which the first main aspect is whatever is meaningful to the human at the time - any aspect, usually the main aspect of the product, but sometimes re-purposed to meaningfulness in some other aspect. However, to call it "use" is looking at it through the lens of the formative aspect, which we might call a second main aspect within this view, and the norm of activity-as-use is **achievement** (of Good, which is defined by the first main aspect). With this we can separate out the generation of various kinds of value.

Why formative and not economic aspect? Answer: Because labour is concerned with production, rather than the economic norm of frugality and respect for resource that contributes to Good. If we view labour through the lens of the economic aspect alone, we can see only the quantity of product, and neither their quality nor the labour as fully human activity. (It is only within the present economic system and its narrow presuppositions that we view labour as purely an economic issue.) The human soul responds intuitively to aspectual norms and while workers are often proud about their productivity, they are even more proud about the quality of their work, and the skills they exercise in doing that work. Those are meaningful in the formative aspect. For full understanding, however, we need to take all aspects into account.

Multi-aspectual. Both use and labour are multi-aspectual functionings. With use, this is obvious when we see it as human activity. That labour too is multi-aspectual is seen for example in Narotsky's [2018, 33] definition as "the energy, embodied skills, cultural beliefs, and forms of co-operation expended to produce a specific product" - meaningful in at least the physical, biotic, formative, pistic and social aspects.

Functioning and repercussions. Since labouring is functioning in every aspect, it has repercussions meaningful in every aspect - including power consumption, generating climate change emissions, etc. All these must be taken into account.

Inter-aspect dependency. Functioning in the formative aspect depends on good functioning in earlier aspects and is shaped by functioning in later. When labourers have so much to do (economic aspect) that they do not have sufficient rest (psychical aspect) they can make mistakes etc. Similarly with ill health or confused understanding (biotic, analytical). Toxic management attitude (pistic, ethical dysfunction), evoking anger and poor morale in employees, can affect quality and productiveness. So can poor communication, unfriendliness, lack of resource, and injustice (lingual, social, economic, juridical). Attending carefully to good functioning in every aspect helps to sustain a healthy labour supply chain and protect against the various forms of slavery.

Ethical and pistic functioning: In particular the culture of the employing organisation, the ethical attitude that pervades it and pistic mindset that prevails determines the quality of labour in all aspects and hence of the products. Toxic cultures produce bad products.

Example: In the 1970s, workers at the UK car maker, British Leyland, complained to managers that the cars they were producing were full of faults (many of which were not the fault of the workers). Instead of rectifying this, management told the workers "Get the cars out the door; customers can always return them under guarantee to get the faults fixed." As a result, British Leyland gained a reputation for shoddy products, their sales and share of the market declined and they went out of business in 1986.

Absolutization / idolatry: When the formative aspect is absolutized, idolised, this leads to sacrificing all to productiveness (or sometimes quality) and, as a result, other things go wrong. Productivity is too often made an excuse for injustice, lack of care, disharmony, deceit, destroying relationships, waste, starvation, ecological damage, and so on (dysfunctions in various other aspects). Rampant 19th century capitalism idolised productivity, at the expense of justice, working conditions, mental health, and so on. Two reactions set in, Christian socialism (as in Quaker Capitalism) and Marxism, both concerned about these aspectual dysfunctions. It is interesting to compare the results, with Marxism enslaving people even more and reducing productivity to boot.

The whole, over the long term. So, for a healthy labour-driven economy and lifestyle that contributes Overall Good, sustained over the long term, we need to ensure good functioning in all aspects, without absolutizing labour or productivity (or any other aspect). If some (economic) activity does Harm rather than Good (see Chapter 7), then the products and the labour that produces them should be reduced and discouraged not increased and encouraged (as we have with the fossil fuel industries with the start of the second Trump presidency). As we will discuss in Chapter 7, this means that some whole sectors of the economy should be shrunk. The challenge that policy-makers and opinion-shapers have is that such industries are often powerful and play the jobs card: "If you shut us down you will lose many jobs; surely you don't want that!" The root of the problem lies, as we discussed earlier, with societal and personal dysfunction in the ethical and pistic aspects.

If now we put all the above together, it comprises a conceptual framework for understanding labour, with which we can understand various labour-related themes.

6-6.4.2 Application

Summary: That conceptual framework can help us tackle various labour-related issues and themes.

These philosophical tools offer us new perspectives on various known labour-related issues, which might be helpful in theorizing, in planning and in assessing, and might occasionally point to solutions to unsolved problems. Here are a few examples; readers should think of and discuss others.

Division of labour may, of course, be understood as differentiating the target aspects of the human formative action that is labour, of which the worker has developed skill. How good or harmful strict division of labour is depends on the multi-aspectual functioning that is that labour, not on the fact of division.

Work and pressures. Paid work is a multi-aspectual functioning, but too often management practice and theory both ignore most aspects. In Britain today, many people are leaving work because pressure of work is too much. People cite the constant pressure of filling in forms to justify what you are doing, the relentless pressure to do more and more ("productivity"), the lack of social contact at work, lack of care from management, tedium (especially because of division of labour), lack of satisfaction in work especially in the knowledge industries, etc. Much of this can be explained by various aspects - especially those of management attitude (ethical-pistic dysfunction). (To be researched multi-aspectually.)

Unpaid labour. Our understanding of labour includes nothing about whether it is paid or not. So it allows unpaid labour, as discussed below and in Chapter 5, to be part of the picture, whereas most economic theory and practice excludes it. That I pick a flower as a gift or nuts for food is still labour, and must be both affirmed and critiqued according to the principles established above.

Machines. No understanding of labour is complete without understanding machines, insofar as they do some of the work of labour, i.e. producing. During the Industrial Revolution, machines were mechanical while today many 'machines' are software, especially databases, social media and AI; but both can help labour fulfil the formative norms of productiveness and quality. Whether they do or not depends on the kind of machine and what quality we mean. As with labour, there are two types of value or anti-value. One is the actual functioning of the machines, such as the physical aspect of power consumption leading to climate change emissions, and the biotic aspect of injury to humans nearby, and so on. The other is the product. Many machine-made products lack the aesthetic quality or of human-made ones, but where spatial and physical precision are needed, mechanical machines are excellent. Equivalent with social media and AI. However, machines can do much Harm, not only directly but also indirectly, in making Harmful activities easier and more productive. It is interesting that investment in information technology does not necessarily increase productivity: the Technology Productivity Paradox. In addition, absolutization of the formative aspect by giving too much importance to technology and machines leads us to go against the norms of other aspects - the juridical norm of justice, the ethical norm of care and love, the biotic norm of health and life of both organisms and the ecosphere, and even the formative norm of quality. By reference to aspects, therefore, we can think more clearly about machines.

Supply and demand. Supply may be seen as the result of the multi-aspectual functioning that is labour; demand, as the result of the multi-aspectual functioning that is use, each being motivated differently. When we ask which norms govern and enable and drive this, we must look at all aspects, especially the later ones (which impact our functioning in earlier ones). Supply is enabled by raw materials (physical), health (biotic, psychical), skill (formative), communication (lingual), collaboration (social), prudence (economic), legislation (juridical), attitude (ethical) and belief and commitment (pistic). These days, for example, we wish to insulate British housing stock to make it more efficient, and there is a major shortage of skills to do this. So tackling the climate crisis is slower than it needs to be. The answer is a decade ago: invest in training a decade ahead of when the skills will be needed in wide measure, but governments and corporations seldom take this wise action, because of "other priorities" (pistic functioning). Demand is fostered by marketing (lingual), peer influence (social),

need (economic), perceived need or desire (analytical), desire for enjoyment etc. (aesthetic), attitude (ethical) and belief / assumption about what life is about (pistic). This multi-aspectuality explains why supply and demand are not some mechanical, inescapable determiner of economic activity.

When we probe these, however, we immediately find noble and ignoble motivations, as depicted in Figure f6-supdev, parts (a) and (b).

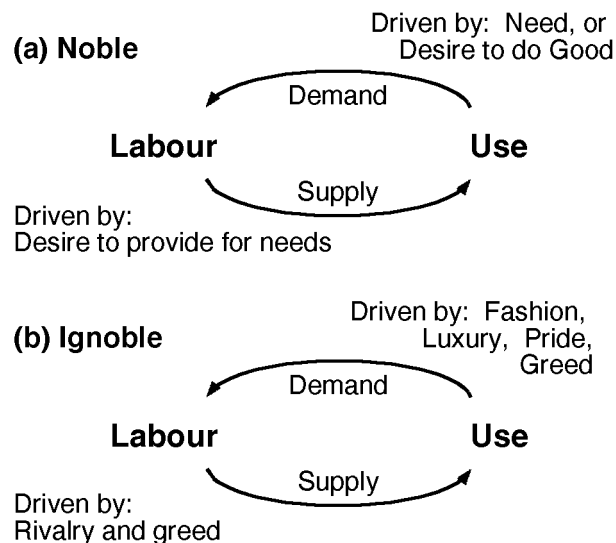


Figure f6-supdev. Drivers of supply and demand in impoverished and affluent economies (later aspects)

We can see both **noble and ignoble motivations** for supply and demand (ethical and pistic aspects). The noble motivation of supply and demand is the mandate of producing goods to overcome impoverishment, so that labour contributes to the Multi-aspectual Good of human fulfilment, whereas the ignoble motivation is often greed and inter-firm rivalry on behalf of suppliers, and, of demand, greed, pride and a self-centred desire for luxury, driven often by fashion. To a large extent, the noble motivation is relatively stronger in impoverished cultures and the ignoble in affluent cultures. In both, however, labour is also motivated by the formative norm of quality productiveness and workers experience thrill and satisfaction of doing good, skilled work. In impoverished economies, this is an added bonus; in affluent economies it is a hidden grace.

Strikes. The philosophical pieces above also offer a different perspective on strikes, the withholding of labour. Strikes are often assumed to be a dysfunction in the formative aspect, in that production of goods ceases, and hence strikes are detrimental to that aspect's functioning, but if we extend our view to other aspects, we find more nuance, in which strikes might bring some good, such as justice. So we must consider all aspects before we either condemn or support strikes. Workers resorted to strikes - even at great cost to themselves (good functioning in the ethical aspect) - because they had, all thought, no other means to bringing pressure to bear on unjust employers. Had there been other obvious ways, then maybe fewer strikes would have occurred.

Harmful labour and products. Moreover, if labour, or the goods or services it generates, contribute to Harm then strikes might be a good thing because, as we argue in Chapter 7, harmful economic activity should be reduced - and should whole sectors of the economy be shrunk? Even without strikes, such labour

should be redirected towards Good. Most people find it better to work in jobs that generate Good rather than Harm, not least because of the dignity and meaningfulness that attends such labour. Examples of harmful products might include chemicals that pollute soil, water or air, or which poison people, social media that encourages deceit and enmity, and media of any kind that makes consumers (users) in affluent cultures yet more selfish and self-centred - Harm that are meaningful in the biotic, lingual, social and ethical aspects respectively. Reduced availability of harmful products can force us to rethink things - often to our benefit. We think we cannot live or work without them - but we usually can! We will discuss this more in Chapter 7, including the shrinking of Harmful sectors.

Quality labour. Quality labour, skilled and careful, may be understood as two things joined together: fulfilling the laws/norms of the formative aspect well, and this targeting other aspects in ways that fulfil their laws too. This re-expresses in aspectual terms what is well known, and doing so can help in practice. If either is missing, quality of labour and thus of product can suffer. Good apprenticeship (in whatever form) develops both, not just one. To value both sides requires a good attitude. These norms are not foreign to us; the human soul responds intuitively to aspectual norms and while workers are often proud about their productivity, they are even more proud about the quality of their work, and the skills they exercise in doing that work. Shoddiness is arguably a more important dysfunction than are strikes and often has more deleterious impact on the economy of firms in the long term - as seen in the example of British Leyland above.

Unproductivity. Graeber's *Bullshit Jobs* and Mazzucato's [2019] both discuss unproductive labour, in both public and private sides of economies. This is waste of the human life and of the capabilities of those who work, and ranges from unused administration staff, through production of useless products, to many in the finance industry whose time is wasted on 'renter' activities. This is discussed in Chapter 7 along with the production of non-essentials as Useless economic activity.

Surplus value. The overall (across an entire economy or society) increase in value that occurs when labour produces products whose worth exceeds what seems to be put in (labour and capital costs). In a way, surplus value could indicate a society's / economy's contribution to Multi-aspectual Overall Good, except that it is almost universally presupposed as a quantitative measure, which overlooks many kinds of Good / Value and mis-measures value than it can recognise. Marxian economics assumes this surplus value accrues to the owner and provider of the capital - and rails against such supposed injustice - and thus obtained for itself a seemingly simple economic-aspect explanation of the evils of capitalism. Many have discussed this, and we have both sympathy with and deep critique of the Marxian view. Our sympathy is based on the importance of the juridical and ethical aspects (justice and self-giving love, generosity). Our critique is that 1. these aspects cannot be reduced to economic equations, 2. expressing value as equations and numbers is grossly distorting, 3. it ignores unpaid economic activity and the goodwill of both worker and owner. Instead of the Marxian / Ricardian ideas of surplus value, we would redirect our thinking directly and Multi-aspectual Overall Good and consider all aspects.

In short, this multi-aspectual view of labour offers us a **conceptual framework for understanding and discussing** labour-related issues like strikes, supply, demand, etc. so we not condemned to either accept or reject current ideas uncritically. It can help us recognise and discuss the mix of Good and Harm, rather than merely taking sides and seeking compromises that satisfy few.

Research needed: work each of these out in a practical, systematic way, using aspectual analysis etc.

6-6.5 Unpaid Activity

Summary: Unpaid household work is usually ignored in economic calculations, which puts so-called LDNs at a disadvantage. A central focus on human functioning that contributes to Multi-aspectual Good automatically brings unpaid activity into the purview of economics, both theory and practice.

In Chapter 5, we discussed the enormous value of unpaid activity, especially in the household. We need to understand unpaid activity and take it into national accounts, not least because much of the economic activity in so-called Less-Developed Nations is unpaid, and national accounting comparisons need to give them their due, and because much unpaid work is undertaken by women.

[Note: By “unpaid work” we do not mean the unjust situations in which workers are not given due remuneration, but rather the kind of work that is never paid, such home baking or caring.]

TBC, in <“womens.work.html”>her discussion of **women’s work**, differentiates four areas of which the first three are often unpaid, especially in these nations: Reproductive labour, Childcare & Homemaking, Voluntary Labour and Civic-related duties, and ‘Productive’ labour external to the home, where “productive” means being a recognised, measured part of the economy. She remarks that “In short, the average woman is always working!” True productive work is not that but is, Lobo [= = =] suggests, “labor that **generates life and use value**, important for most people, including education, care, and food - while labor that only generates surplus value and destruction, like the death industries (weapons, agrochemicals, relentless mining exploitation) is ‘destructive’ labor and should cease to exist”.

6-6.5.1 The SNA Approach

The SNA 2025 exercise is attempting to do this, in which they include childcare, adult care, nutrition, transport, household management services, laundry and clothing services, formal volunteering, informal volunteering, shopping, and information services. In Chapter 5 we suggested adding leisure, worship and scrutinizing legislation as examples that are meaningful in aspects not very evident there.

The SNA exercise suggests that one way of doing this is to attribute average market price to unpaid activity, but that is a blunt instrument and itself misses much. As TBC points out, such work is multi-faceted.

6-6.5.2 Unpaid work as multi-aspectual functioning

Instead, unpaid economic activity may be understood in terms of their **aspectual functioning** that contributes to Multi-aspectual Good. Most are multi-aspectual, and hence contribute in many ways, not least in mental health and dignity of the individual (psychical, pistic value), and a careful analysis could identify each functioning that is of value.

In most of the above, there is one aspect that most makes them meaningful and gives them value, for example the biotic in nutrition, along with the aesthetic (as set out in Chapter 5). In some, such as child care, there might be no one primary aspect, so a full multi-aspectual analysis is the more important. Some aspectual functionings might be of value in several ways; for example the lingual aspect of childcare (talking with the child) can be of lingual value in helping the child learn to talk and also making them feel valued (pistic aspect).

6-6.5.3 Aspectual Analysis of unpaid work

In fact, each of the unpaid activities above is more complex - indeed, unpaid activity is often part of everyday life - and the RLDG carried out a fuller aspectual analysis of them, in RLDG response to SNA 2025. Here, as an example, is a fuller comment on *Childcare*.

“Unpaid childcare captures the time provided by care givers in the direct care of children.” Care has the *ethical* aspect as its primary, but in the case of children there is usually a strong *social* aspect of relationship and a *biotic* aspect too when the children are the offspring of the carers. “This can range from helping with homework [*lingual, formative*] to feeding [*biotic, aesthetic*], washing [*physical, biotic*] or dressing children [*aesthetic*].”

We might also add: play [*aesthetic*], maintain justice [*juridical*], love [*ethical*], and affirm their worth [*pistic*]. These four aspects, especially, help to form the character of the child from an early age and, indirectly, their future potential in economy and society.

It might also be no coincidence that all four are **post-economic aspects**, so that they impinge on and impact, and should guide and regulate, the economic activity and decisions. Using purely economic rationality and laws on their own (as in SNA 2008) misses the importance of these aspects.

Readers can see from that how aspects can be used to draw out issues that are often hidden or remain tangled together.

6-6.6 The Tragedy of the Commons and the Free-Rider Problem

Summary: The roots of both the Tragedy of the Commons and the Free-Rider Problem are exposed, leading to ways to address them.

See separate full discussion

The Issue/Problem:

- ◆ Commons (land, biodiversity, climate, etc.) are devoured at unsustainable rate.
- ◆ Idea of Selfish Rational Economic Actor (SREA) drives that.
- ◆ Some people ‘ride free’ on these commons, consuming without paying, which is hated by some as unfair.

Current Addressing of the Issue:

- ◆ Trainer calls for a new culture “kindness and conscientiousness” etc. but then argues for that in terms of SREA.
- ◆ Ostrom finds that in many societies, other norms prevent the over-devouring of commons. She offers eight principles for successful commons.
- ◆ The Free Rider Problem does not apply in many cases, such as a coastal town builds a lighthouse to warn shipping of rocks, public firework displays, and government-provided road systems.

Our Approach:

- ◆ The Tragedy of the Commons and the Free Rider Problem are usually understood and discussed **through the lens of the economic aspect**.
- ◆ That commons-devouring is a problem can be seen via economic aspect, but why it is a problem cannot be explained from this aspect alone (given our human capacity to innovate).
- ◆ Nor can the Free Rider problem.
- ◆ Why they are problematic, and why they occur, must be explained fundamentally by the **norms of other aspects**.
- ◆ The ethical aspect explains well why both occur (selfishness), but other

aspects also play a part. This is what Trainer was reaching for, but did not get there.

- ◆ We ask which rules are devised and why they are held to, and this reveals **multiple aspects as relevant**.
- ◆ That commons are sometimes not over-devoured may be explained by the functioning of commons being **multi-aspectual**. See Note on Aspectual Understanding of Commons by reference to Ostrom's principles.
- ◆ That a town builds a lighthouse to save shipping is explained primarily by the norm of the ethical aspect (self-giving).

6-6.7 Urbanisation and Ecovillage

Summary: Some see urbanisation as a major problem and propose ecovillage systems as a solution.

"Both the Mazzucato State-led development solution and the big-corp solution but with the skunk works, or the liberal free-market, the libertarian disruptor, new innovator, the old-companies-die solution, all those models, are all in a sense large scale capitalist models to one degree or another. Even Mazzucato's model is a State-led capitalist model." That was one of the comments from an <"reith2020/ze21.html#s-ecov">RLDG participant. Many believe that "large scale" does not work - whether capitalist or socialist - and is part of the problem, and they propose **ecovillage systems** as a solution. Many were inspired by Shumacher's [1973] *Small is Beautiful*.

Ted Trainer brings the idea up to date with his **Simpler Way** [[Alexander 2014]; Trainer [2022]]. He proposes localism, villages, and things that are on a very different scale because, he argues, technocratic solutions like renewable energy do not fully solve the problems. The whole issue of global trade and the like requires serious questioning. There is a lot of sense in what Trainer (and many others like him) put forward.

Yet, the question was raised, "What do we do about the millions, not to say billions, of people who live in cities? They cannot go back and live in villages. That was the way they were in China *before* they were dragged out of poverty by economic development." Thinkers too often just take sides for-and-against.

Instead of taking sides, accepting or rejecting the idea wholesale, we suggest an aspectual framework might help us understand, be challenged, and gain some wisdom. We look at the functioning of both "the city" and "the village" by aspect, and find much **commonality** between them and much **differentiation** within each. For example, we find the social functioning of the village, the home and the household, throughout real cities, except in most professional life. Conversely, much of the economic and technological functioning we find in cities we find in villages - not least mobile phones.

This points us elsewhere for the root of the problem. This implies that the For example, might the important divide be, not between cities and villages, but between the home and the professional? Might this, in turn, imply that we should critique the the professional - which includes the academic, which is what many of us are? (How many children do we find running around business or academic meetings!)

To critique this - and especially ourselves - we need to look carefully at our familiar friend, **mindset-attitude** (functioning in ethical and pistic aspects). Professional life of much of the city is governed by a mindset of the absolute importance of the business organisation (its survival, rivalry, growth), of money-making, of technology and production, as well as political battles, the realities of human life tend to get overlooked. The absolute importance of something is an

idolatry of certain aspects while we ignore others. It is amplified by the self-centredness and rivalry of putting 'my' business or academic group above others. Thus, dysfunction in the ethical and pistic aspects, which affects all else, as discussed above.

In villages also we find attitude problems of selfishness and rivalry, and distorted mindsets. Not least, in both city and village, is the arrogant disdain for the other. However, there is a difference. In professional and city life these dysfunctions are accepted and applauded - not least because of our wilful, longstanding misunderstanding of Adam Smith's "self-love" as an excuse for selfishness. In the villages, at least before the culture of the city invades them via social media, these dysfunctions are not applauded, and are worked against or at least somewhat controlled.

The discourse on urban and ecovillage is still in its infancy. We need **research**. Research into: (a) how all aspects are manifested in each, (b) how functioning in each aspect affects others, (c) the difference and similarities between city and village life in the ethical and pistic aspects, (d) how those of village living have been altered by social media. Some of this is discussed in our separate article on <"culture.html">Culture.

6-6.8 The Circular Economy

Summary: The idea of circular economy is appealing and important, but its flaws have not yet been properly understood or addressed.

A **circular economy** advocates reuse, repair, refurbishment, repurposing and recycling - questioning the presupposition of unlimited resources that was held by both capitalist and socialistic economists. It was brought to public attention by Boulding [1966] and other systems thinkers and early environmental thinkers who were becoming aware of planetary limits. It is "circular" in that what was once output as waste is to be cycled back to form the raw materials. 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. Many governments and industries are adopting or encouraging the idea - though usually only timidly.

However the idea of a circular economy has **flaws**. Paradoxically, it has been found to increase, not decrease, primary production [Zink & Geyer 2017]. Waste generation also increases rather than decreases, because demand and consumption is excused with "Oh well it will be recycled." This is because it **ignores several other factors** that make up reality, some of which Zink & Geyer discuss. One is to what extent industry and public are willing to accept produce of secondary rather than primary production. Another is that recycled / refurbished products like phones do not displace new ones in affluent cultures but tend to go to those with no phone at all, such as in the Global South. This spreads the appetite for phones - and, we might add, spreads the aspiration for the newest and latest. A third, promoted by McKinsey, is the idea of using recycled products as arbitrage.

Zink & Geyer call it the circular **rebound effect**, comparing it to the energy efficiency rebound effect (discussed below as Jevon's Paradox, in which, because people conceive of something as being more energy efficient, they use more of it and become less careful of what they do use.

Zink & Geyer, and McKinsey, draw attention these other factors - which is the important first step in discourse about a topic - but fail to do two things - which are the necessary next steps to full understanding: to identify other factors, and to investigate the interlinking among factors.

The use of Dooyeweerd's aspects can help us in several ways:

- ◆ First, it can help us understand what to affirm about the circular economy - for example, not just the economic aspect but also increasing our accepting responsibility (juridical aspect).
- ◆ Second, it can affirm the flaws that are already discussed, by identifying what is meaningful about each. For example, willingness to accept products of recycling is partly ethical (selfishness or self-giving) but also to do with perceived quality of such products: can they do the job (formative aspect).
- ◆ Then it can help us identify other possible factors - so that at least we can think about them, whether they are advantages of or flaws in the circular economy. For example, health (biotic aspect) might be increased or decreased. The aesthetic aspect of whether people like a recycled product, and how most artists use primary products without thinking, could be seriously considered.
- ◆ This leads naturally to asking "What can be done to overcome the flaws?" For example, surely it is not beyond human ingenuity to conceive of a way to ensure that recycled products are better quality? Or to ensure recycling increases and not decreases health?
- ◆ We also give special attention to the ethical and pistic functioning ("culture"), and its impact on our functioning in all other aspects. For example, preference for pristine rather than recycled or refurbished products, except in very rare situations on grounds of requiring absolute quality for safety reasons, is mostly a selfish mindset of "I deserve the best, and will not make do with less!" (x Christians will remember that "self-control" is fruit of the Holy Spirit. x)
- ◆ In asking such questions we naturally obtain deeper understanding.

6-6.9 Notes on Some Other Economics Phenomena

Summary: We are offered fresh insights into standard economics phenomena like investment, innovation, trade and aid, and competition.

In the above we have discussed some detail how to rethink various topics, using the foundation laid out earlier in this chapter, and have done so in several different ways in order to illustrate how this can be done. Here are briefer indications of how some other issues may be rethought. All deserve full treatment; some are discussed more fully in Chapter 10 or elsewhere.

- ◆ **Investment:** expending resource now for some hoped-for future good, which may be realized in people, ecology, knowledge, money, energy-savings or anything else. Since it always involves risk that the hoped-for good will not materialize and involves a measure of sacrifice, we see it as meaningful in the **ethical aspect** of self-giving. This suggests that there are two opposite kinds of investing: investing in order to achieve some future non-monetary good and investing in order to gain money for self. We hypothesise that the latter - seen in the stock market, futures markets, cryptocurrencies, real estate speculation, etc. will prove ultimately of net Overall Harm rather than Good, and it would be better had it not occurred, because it turns the ethical aspect upside down. Given lack of extant discussion about this, **research** needs to be done.
- ◆ **Innovation and Technology** are primarily meaningful in the formative aspect, and functioning in that aspect is essential in economic activity. However, all aspects are important. Governments and media in affluent cultures tend to elevate innovation to the place of an idol (c.f. Goudzwaard), which is pistic

dysfunction, so we hypothesise that it now tends to bring more Harm than Good overall. Much of it is non-essential and unproductive: **Useless** (see Chapter 7).

- ◆ **Trade and aid** both involve one party giving resource to another, which is functioning in the economic and social aspects, and, in that sense they are similar. Where they differ lies in the aspect that motivates the giving. Trade is motivated primarily by the economic aspect and to some extent the juridical (just price/trade); aid is motivated by the ethical aspect. The easy slogan “Trade is better than aid” is at best misleading and at worst false, because the Economy, and life itself, cannot ignore the ethical aspect. The type of aid that is worse than trade is that which brings dependence, which is a dysfunction in the pistic aspect.
- ◆ **Competition** Though competition is almost universally accepted as a desideratum in much conventional economics, government and business, as stimulating excellence and innovation, there are many downsides and it is even doubtful whether it is necessary for these benefits. Competition entrenches self-interest and self-protection in society and the Economy, leading to injustice and other harms. See Chapter 7 for discussion.
- ◆ **Motivation in businesses.** League tables of firms or nations often form the basis for competitive motivation. To climb a league table can motivate senior management, but as a motivation it is both futile and weak. Futile because climbing one step, merely results in wanting to climb another step and getting to Number One merely results in great fear of losing that place. Weak because though it motivates senior management, it usually does not much motivate most employees. What is needed to motivate all in a company is something much more meaningful - such as developing a vaccine during a pandemic.
- ◆ The **Laffer Curve** suggests that increasing government revenue will sometimes reduce with increased taxes rather than increase (because: 0% tax rate: zero government income; 100% tax rate: zero government income because nobody would think it worth working or find ways to avoid tax; in between: some government income, initially rising with tax increases, then falling with tax increase). Beloved of the wealthy, because they can argue that taxing them will reduce government income! The peak seems to be around 65% tax rate. Whereas many have criticised the Curve or questioned its shape, a multi-aspectual approach offers new bases for critique. At least *some* highly paid people would still be willing to work even if all their money were taken as tax (assuming some other way of keeping alive!) because they are generous (ethical functioning) or just love working (the thrill we get from good formative functioning). C.f. unpaid work and the fact that many unemployed actually use their time to do Good, such as help in charities. Both the proportion of such people and where the peak is depends on the ethical functioning (attitude) pervading society, and the pistic functioning (mindset) of whether people feel the government is for them or against them.

6-9. Conclusion on Functioning

The idea of multi-aspectual functioning can offer a good foundation for understanding economic activity, which does more justice to real-life economic activity than do mathematical models, the self-interested rational economic actor or behavioural theories. This is because real-life economic activity functions in all aspects of reality whereas most extant theories and models restrict themselves to a few aspects.

A model of multi-aspectual economic activity is offered, and we have illustrated how it can be applied to resolve paradoxes and to rethink concepts, models, theories and economic phenomena, and enrich them. Our approach offers a foundation for understanding:

- ◆ **Unpaid work** - rather than only paid work - by recognising that functioning in all aspects generates real value whether paid or not;
- ◆ **Multiple kinds of value and anti-value** - rather than only monetary value - because repercussions from aspectual functioning contribute to or detract from Multi-aspectual Overall Good;
- ◆ **Externalities** and bringing them into the core of economics - rather than marginalising them - by recognising repercussions in all aspects;
- ◆ **Culture** and how it affects economics - rather than leaving it as mysterious - by reference to the ethical and pistic aspects;
- ◆ How to **integrate micro, macro and other levels** of economics - rather than treating them as completely distinct - by reference to ranges of aspects of the whole picture that is economics.

Our approach can affirm what is valid in extant models, embracing them all as part of a larger picture, but critiquing and enriching them in the process.

In our discussion, we have often cited negative, harmful functioning alongside postive, good functioning, good functioning yielding value and negative functioning yielding anti-value. The one is to be avoided, the other to be sought and applauded, but we have not discussed how Harm may be distinguished from Good in practice or theory. For example, GDP lumps both Good and Harm together and governments seek to increase it and therefore increasing Harm results. Even in much recent economics discourse, though the difference between some kinds of Harm and Good is recognised - and often is what motivated its emergence - the difference is seldom make explicit enough to get it into the core of economic theory. This is what will be discussed in Chapter 7 - along with Useless economic activity.

This page is part of a Reframing/Rethinking of Economics by the RLDG.

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Last updated: 31 December 2023 rw intro. 3 January 2023 fear lose funding. 11 January 2023 figures. 17 January 2023 bit from note. 18 January 2023 innov. 21 January 2023 conseqs. 21 January 2023 Zhang; not zerosum. 28 January 2023 NO bit about capital, labour and exchange. 3 February 2023 productivity. 3 February 2023 attend all asps poverty, bio,phy, l-r. 16 February 2023 6-; worked example of takeover; trade. 18 February 2023 bits from r9-env; labour rw, need invest in training, insulation. 20 February 2023 innovation. 2 March 2023 summary. 4 March 2023 frugality gives prosperity. 8 March 2023 prod,cons. 24 March 2023 destitute widow, poverty from fashion. 6 April 2023 nudge, unpaid. 12 May 2023 int-asp deps in bz, esp. att,mindset. 18 May 2023 functioning. 5 June 2023 new ch smy.

9 June 2023 new intro and slant to und activity r.t. emph. functioning. Began edits. 10 June 2023 edits, rearrangements. 12 June 2023 major: bringing much of Mindset, Attitude from r4-mmm to here, and made trade etc. smaller. 14 June 2023 more. 14 June 2023 inflation. 15 June 2023 mndatt intro. 16 June 2023 smys, macro; shorter on structures. 17 June 2023 upw value to r5. 19 June 2023 some on m + a, chnge m + a; macro; removed Productivity; things to r8; unpaid. 20 June 2023 eg. Tata. 21 June 2023 e.g. expectations; w structures. 22 June 2023 rw structs. 23 June 2023 groupthink; Adam Smith; rid inflation. 26 June 2023 rw, apply Smith; hdgs, smys. 27 June 2023 Sagar for Smith. 28 June 2023 Smith. 30 June 2023 from r4. 3 July 2023 Smith more, Norman. 26 July 2023 keynes wrong. 3 August 2023 negatives of mindset; urban, village here from ch7; externalities. 4 August 2023 externalities more. 16 August 2023 externalities better defn. 18 August 2023 Smith. 23 September 2023 exts a bit. 25 October 2023 equilb ecx, table t6-1.1. 26 October 2023 invis hand incl aspectual coherence; today life. 27 October 2023 a few edits from oldish paper. 30 October 2023 bits. 22 November 2023 paid as contract etc. 6 December 2023 box: reprenceance of sector. 12 January 2024 climate, locusts, subabuse re poverty. 25 January 2024 Marshall. 17 February 2024 moved purchase to 6.2.2, and renumbered some. 20 February 2024

Smith: torpor. 26 February 2024 All is resource. 27 February 2024 Ostrom. 28 February 2024 Jevons std form. 1 March 2024 Tragedy of Commons and Free Rider moved to p.html. 6 April 2024 Piketty. 22 April 2024 status; moved Some Ec Phenomena to p.html; stuff moved here from r8, esp re levels, attitude. 10 May 2024 purchase. 17 July 2024 attd: affluent squeal. 26 July 2024 brought levels section from r4-mmm. 19 August 2024 league tables poor mvn. 31 August 2024 Grenfell Tower example. 7 September 2024 circular economy. 28 October 2024 Inflation section brought here. 7 November 2024 wee changes. 9 November 2024 some = = = = , which involved merging some re Smith. and other things; starting to remove Smith section. 11 November 2024 Cojanu. 13 November 2024 finished moving Smith to smith.html. 19 November 2024 rw macro (a),(b). 22 November 2024 rw §6-2 multi-aspectual, 23 November 2024 more; done §6-2 (d). 26 November 2024 Irred in maf; credit suiss. 27 November 2024 began rw of 6-3, M + A. 28 November 2024 mindset (a)-(d). 29 November 2024 done §6-3, §6-4, §6-5. §6-6, Concl. 30 November 2024 Poverty rw. 2 December 2024 Rowntree. 3 December 2024 models of poverty. 4 December 2024 re poverty, cmts from Nick Lumb, to whom many thanks (a), limits bhv (b). 4 December 2024 moved paradoxes before theories and concepts; several paradoxes. 5 December 2024 Romer better; labour rw. 9 December 2024 new intro to poverty; moved poverty to separate file. 17 December 2024 poverty in summary form; ciepley. 30 December 2024 bits. 2 January 2025 summary of poverty. 3 January 2025 bit. 8 January 2025 aspects of econ activity, and several rw. 27 January 2025 macro not see eth,pis. 1 February 2025 rw §6-3. 4 February 2025 nearly done §6-3. 5 February 2025 done rw §6-3 on culture; reparations as aspectual; did jevon critique; rid poverty nn stuff. 6-10 February rw 0-3, bits. 11 February 2025 rw §6-3 Reinforce. 12 February 2025 inequality. 10 March 2025 Labour-use. 12 March 2025 labour + use nearly done. 14 March 2025 done labour. 15 March 2025 womens work from TBC. 17 March 2025 surplus value. 22 March 2025 ecovillage. Circular econ rw, rw Bits. Bit on machines. Concl. Notes, refs to files. 24 March 2025 dealt with lots = = = . 25 March 2025 inequality; a model made explicit. 27 March 2025 rw model (a); added pdf and web version links (b) ----- upl, pdf. 28 March 2025 model components linked to sections. 29 March 2025 sadly, having to rw much of §6-2 to bring in line with model. 31 March 2025 Redid model, and some of the sections; multi-aspectual moved up; corr link --- uplpdf. 31 March 2025 corrected heading numbers --- upl. Completed Concl. 1 April 2025 Laffer Curve; work and pressures; embrace extant models.