



Economics of Dignity: Growing People from Consumers to Members*

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Abstract:

According to Richard Easterlin's paradox, laid out in "The Economics of Happiness," material wealth does not necessarily guarantee and equate with a sense of personal happiness.^{1,2} This intriguing conclusion challenges researchers to explore a fascinating intersection among Economics, Psychology, and Humanities.³ It is bringing postmodern economic thought to a post mortem of classical economy, whose core measure of economic growth — gross domestic product — will have to be reevaluated as a determinant of people's prosperity in order for us to identify more indicative and reliable value drivers in the 21st century. Along with the GDP, the vital constituent of contemporary capitalism and the modern consumerist society — consumer him/herself — is being reevaluated not by conventional criteria such as personal income and personal consumption, but by personal development and life satisfaction as new benchmarks of people's sense of fulfilment central to the notion of wealth.

It is that need for personal development and fulfilment that has caused the economic subjects to gradually shift from the role of mere consumers to that of members, as best registered in the fastest-growing domain of cyber business. The possibilities for membership in the virtual business communities add a note of dignity and freelance entrepreneurship to the old-fashioned consumer. While the internet technology is taking business-making to ever-higher possibilities of global techno-networking, it is, nonetheless, the conventional values such as membership loyalty and the need for belonging to and sharing with a community that inform and define today's most progressive economic relationships.

We are exploring here the most advanced and the trendiest business-making of the so-called dot com (.com) businesses, network marketing companies, and the culture-based business networks in an attempt to identify the determinants of today's experience of economic wealth both in its intangible as well as in conventionally tangible assets.

The concept of membership is becoming the prevalent mode of doing business, sharing information, as well as participating in communal activities. Whether you are invited to become a valued member of your favorite grocery store, your favorite coffee shop, your favorite airline, bookstore, etc., it is not only about the preferred treatment that you get such

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† Interdisciplinarity is no longer an academic fad but a pressing methodological need in our attempts to account for and address the demands and needs of an integrating individual in the integrating world.

as discounts, promotional gifts, having priority service, or first-hand information about the newest products and upcoming sales, but the fact that you are joining a community which vies for your participation in communal events. These happenings and gatherings are geared toward *servicing* the local or broader community by charitable work, donation drives, and other forms of what is called *giving back to the community*.[‡] The drive here is to move away from the concept of consumer, a “targeted,” reactive individual with a choice of goods, towards the concept of a member, a proactive individual with a choice of roles. The key idea is that of *adding value* — not only adding more value for the money you spend but also adding value to your community through the business, and consequently, through the business community you choose to join and partner with, which, in turn, adds value to your life by providing an opportunity to serve others through that partnering. In any case, the issues of value rather than price and the role of a member rather than a consumer are put in the forefront. We were seeking to understand, in particular, the socio-economic and cultural phenomenon of the most advanced of the technological spheres of human economic activity — e-business — only to find out that it is driven by such very traditional values, which are, nonetheless, through that technology realized with a certain twist. Cyber business is of particular interest not only because it is the fastest developing but also because it is socially most interactive and vibrant. This sphere of interactions in the form of *ethereal business* is economically most *graceful*, because it exerts minimal physical effort with maximum reach for its ability to access the entire globe.

An example comes from Starbucks, a chain of coffee shops, which is developing coffee drinking into a communal ritual exactly by emulating the ways of the cultures in which coffee drinking is a way of catching up with the community and getting involved in the lives of others while sharing yours. The Starbucks website (www.starbucks.com) features special categories and links such as Community and Starbucks Shared Planet. The business is also trying to make the site more personalized for the members by adding a link at which you can share your ideas with the rest of the Starbucks community and call that space your own: MyStarbucksIdea.com. And not only does the Starbucks website position itself as a community space but further stresses and caters to the need for greater and broader connectivity by adding links for interface sites such as Facebook, Twitter, as well as YouTube. Our examples come primarily from the Western, developed countries for the reason that they have designed the most extensive virtual outreach to their customers, but also for the reason that exactly those globally-expanding corporations are incorporating and depending on basic traditional values. And while they are co-opting in that sense and incorporating for the sake of self-promotion, they, nonetheless, have to open a space within their organization for input from the local people. Consequently, these corporations can be influenced from within by the multitude of members who do business with them. Most importantly, one of the ways in which the members have been exerting influence in this particular case, has been over the issues of fair trade, organic growing, and healthier nutrition choices.

In order to understand the inner workings of e-business, its marketing driving force as well as its ethos, we turn to the idea of community, as it is the most traditional notion and a human need that is guiding this form of virtual interaction. The traditional need for a sense of

[‡] Examples of community-oriented businesses abound and proliferate daily. Coffee shops feature mini art exhibits of local school children. Independent neighborhood shops organize food and clothing drives as well as charitable work. Grocery stores offer matching donations for local schools, charities, hospitals.

belonging is at the core of such modern community, which is, as it has always been, driven by *communion* and *communication*.³ In these modern cyber communities, communion — the sharing of information, ideas, ethereal space, and wealth — is realized via virtual communication that allows for an unprecedented global reach. And while it fulfills the need to connect to other humans on a broader scale, it offers and maintains a loose sense of belonging which preserves one's need for individual freedom at the same time. And that is the twist to the modern sense of bonding and belonging that technology provides — to maintain a sense of potential anonymity, freedom, and mobility that did not exist to that extent in conventional communities. If we visit the website of the worldwide credit card company MasterCard,[§] we can see how far the idea of community, communal participation, and member involvement is taken. Among other engaging links, MasterCard website includes one called Corporate Citizenship in which customers and employees are members who can find various significant ways to “make a difference” in the local and global communities.

Thus, a modern economic subject is becoming a *nomadic member* trading, doing business, and working from anywhere on the planet as long as s/he has a computer and a modem or a cell phone (The cell phone magnate, Sprint, features commercials for doing business on a beach with the newest phone technology). Technology is increasingly working on improving mobility and freedom of choice, such as having the option of working from home as an employee; running a whole e-business operation from one's living room; accessing the internet in a private setting for joining e-communities of similar music interests; for philanthropic missions, dating needs, shopping needs, investment searches, medical support and so on. The alienation that the industrial development brought about gave rise to nostalgia for belonging and now technology is gratifying it in new ways by allowing people to cluster around their needs, desires, and interests with other humans from the entire globe rather than just from their immediate surrounding. And it does so by satisfying the push and pull of such modern clustering need — the double-bind of wanting to belong and yet not to be fully integrated but preserve a sense of one's freedom. Virtual Communities are safe that way; they preserve such nostalgic longing while providing a sense of non-committal belonging — a wireless connectivity without rooting.

What about Easterlin's paradox then, with which we started the paper, that says that exactly in developed countries, which have the luxury of utilizing the technological advances on the broadest scale, the sense of personal happiness may not be the highest? We are now using technology in ways that emulate the communal connections of the countries with more sense of communal support that generally consider themselves happier. It is through human relations that we seek fulfillment and gain sense of wealth, and the networking technology is trying to satisfy exactly that need for higher and now broader connectivity among people. Easterlin's paradox is at its core again a communal issue; it is indeed in connection to and in comparison with others that the sense of being well-off / a sense of well-being is constructed and experienced.

Easterlin points out that we increasingly compare ourselves with those with whom we come in closest contact, and asks: “Imagine your income increases substantially while everyone else's stays the same — would you feel better off? The answer most people give is yes.

§ See http://www.mastercard.com/us/company/en/corporategiving/community_involvement.html

But now, let's turn the example around. Think about a situation in which your real income stays the same, but everyone else's increases substantially — then how would you feel? Most people say that they would feel less well off, even though their real level of living hasn't, in fact, changed at all."⁴ Social relationships as value determinants are particularly important in the Economics of Happiness, which takes off from the fundamental understanding of economics as a set of systematized means of managing and regulating human needs. While Easterlin examines the social practice of comparison and competition as a means of gauging one's sense of being well-off, Amartya Sen foregrounds the importance of interpersonal relations as a means of development of human capital. Sen registers a certain shift in the development of modern economic systems at the turn of 21st century from the hard-core, "blood, sweat, and tears" approach to a more liberal/liberating approach to economic growth.⁵ Accordingly, Sen conceptualizes what he calls a *civil* rather than a political economy and arrives at that concept exactly by emphasizing the role of interpersonal relations and importance of expansion of human capabilities. Sen expounds: "The expansion of human capabilities, thus, have both 'direct' and 'indirect' importance in the achievement of development. The indirect role works through the contribution of capability expansion in enhancing productivity, raising economic growth, broadening development priorities, and bringing demographic changes more within reasonable control. The direct importance of human capability expansion lies in its intrinsic value and its constitutive role in human freedom, well-being and quality of life."⁶

In order to address the question of quality of life, E.F. Schumacher was one of the first to oppose GNP as the measure of wealth.⁷ He studied village-based economics in Burma based on human needs out of what he witnessed in his research, and developed Humanistic Economics or Buddhist Economics.⁸ In his seminal work of radical rethinking of modern economy, *Small is Beautiful*, Schumacher inverts the aggressive capitalist motto of "Big is Better." Countering this materialist slogan, Schumacher countered modern economics that established consumption as the sole purpose of all economic activity. According to his Humanistic Economics, consumption should be a means to human well-being, but the aim would be to achieve maximum well-being with minimum consumption. Schumacher's vision ultimately aims at more time secured for and devoted to personal fulfillment, particularly through artistic creativity.

Expansion of human capabilities (the need for which is answered by the flood of self-empowerment, self-improvement and a wide range of how-to literature) allows one to feel more as an informed economic participant who understands that one is not only a consumer but as well a producer who adds value. Of the highest value are people themselves, human resources and actualization of human potential through and in social relations. On that path of self-empowerment, participation in a business community seems to give the highest sense of value. Ethics of new business-making come not from an institutionally-proscribed code of conduct or interest-based etiquette, but rather come from the place of self-actualization and a sense of responsibility to self and others that creates wealth — investing with people and investing in people — *growing people*. We use the expression 'growing people' to mean simultaneously:

¶ The studies of village economies have brought about major re-thinking of economics and concepts that had global effect. In addition to Schumacher's economics, Muhammad Yunus' Grameen (meaning "off the village") micro loans could be an example of such a globally effective idea that was conceived on the smallest scale. Indeed, these are economic ideas and plans suitable for what was named by Marshall McLuhan as "global village." See Marshall McLuhan, *The Gutenberg Galaxy: The Making of Typographic Man* (Toronto: Univ. of Toronto Press, 1962). Indeed, it is our understanding that the notion of global village is particularly relevant here for our discussion of traditional values and needs that guide most modern technologies of global reach.

1. a growing number of people as in rapidly developing numbers
2. people maturing from *reactive consumers with a choice of goods to proactive members with a choice of roles*
3. developing human resources and providing conditions of dignity and freedom within which people continue to develop themselves.

Out of this understanding of the importance of growing people rather than growing goods, successful businesses are committed to continually developing their employees by trainings and workshops that exceed the immediate needs of their job responsibilities. Such businesses invest in, for example, motivational and self-development seminars, leadership training, and personality and temperament evaluation workshops. The most prominent business leaders cross over into and become the most prominent motivational speakers, life and success coaches, and educators. Such people are proven business masters who have evolved into prestigious humanistic servants. Theirs is a rather *holistic approach* to developing people, which tries to develop the whole person and starts from the premise that a happy employee, who has a sense of belonging to an enterprise in which s/he feels cared for and valued as a human being, is in every way a more productive employee."

The notion of *value* is then taken to mean not only the price of goods, their use and worth, but also a set of beliefs that determine not only such value of goods but also the value of human capital and of human relations in economic exchanges. This exactly is the domain of *Economics of Dignity* as that which deals with the priceless; it deals with that which cannot be measured in price and use but is rather that which adds value and meaning to all other values; that which adds value to everything else yet itself is priceless — the human in the fullness of his/her potential. This is the domain of human *esteem*.

MasterCard Corporation understood all too well the notion of priceless value when it launched a series of by-now-very-well-known *Priceless* commercials. In a particular commercial entitled "Lessons", a boy is going through various morning activities with his father. As the two are getting ready for the day and doing grocery shopping, the boy is naming the value of the items they are using or buying. By the end of the commercial, we understand that he was, in fact, pondering the value of their shared moments by concluding: "Helping your dad become a better man — *priceless!*" In this commercial, it is of utmost significance that the transfer of knowledge in the form of life lessons going from son to father is indeed learned poignantly in the traditional context of the father-son relationship, and yet the modern son is the one voicing the message of the lesson, and thus imparting the knowledge onto the broader community.

All humans have an intrinsic need to be respected and to have a sense of significance. The need for esteem is the *belonging need* of a human to be accepted and valued by others. It is through a line of work and activity of one's choice that we gain recognition, a sense of contribution that creates a feeling of significance, acceptance, and value. In *Economics of Dignity*, we move from consumption to actualization, participation, and contribution, to adding value to self in order to participate, with dignity, in the exchange of values with others. The spirit of reciprocity in adding value is the key focus of, for example, George Fraser's vision for

** Such approaches to business running and development are directly indebted to Abraham Maslow's work on self-actualization in Transpersonal Humanistic Psychology out of which Leadership Studies and Transpersonal Business Studies evolved.

successful networking in the Black Community (www.frasernet.com). Fraser, a businessman, speaker, educator, and leader of this culture-based on-line networking project sees education, marketable skills, and relationships as the key measuring components of a successful individual whose goal is that of adding value to self and consequently, to his/her African community which, in turn, returns and multiplies the value of its individual members.

Social entrepreneurship, in particular, network marketing businesses (Amway or Nuskin, for example) with affiliate on-line system and profit-sharing revenue model are opening new spaces for individual opportunity; for a self-driven, freedom-based, and yet collectively fulfilling economic interaction and exchange. These collective enterprises offer a sense of communal support system by motivation, encouragement, and training in leadership and networking skills to a freelance fledgling business person. It bridges the consumer to a member and an employee to a small-scale entrepreneur. Unlike in a traditional company, where an employee does not have much control over how fast s/he can get to the top, in the network marketing businesses, there is a sense of the open opportunities for advancement on one's own terms and at one's own pace, directed by one's motivation, all of which create a whole new mentality.^{††} Additionally, one gets to decide if they will focus solely on their own individual sales and/or their network development as a side job or if the business venture will be their sole focus.^{‡‡}

This possibility for accelerated mobility on the ladder of success and increased physical mobility facilitated by technology contributes to a sense of individual freedom while, at the same time, it enables greater connectivity and promotes a sense of shared mentality in a group of the similar-minded. And while a nomadic aspect to the modern economic participant allows him/her to preserve a sense of freelancing it simultaneously allows him/her to form affiliations with and gain supportive memberships in multiple communities. Thus, this free-associative system caters to the traditional need for belonging, which has caused, in turn, the position of the economic subject to be re-evaluated and to shift gradually from the position of a mere consumer to that of a participating member. Such position maximizes a sense of individual contribution, development of individual skills and productive ability, and equality of opportunities for profit sharing in a system that is starting to walk away from the hard-core mentality of one-upmanship and to turn more towards a communal sense of sharing of wealth in the sense of profit as well as well-being.

The concept of sharing brings us to a paradox, if it is a paradox, with which we would like to address and complement Easterlin's paradox. We posit here that *a happy individual is not a consuming individual but a giving one*. To Easterlin's question: "Imagine your income increases substantially while everyone else's stays the same — would you feel better off?" to which he says most people answered with yes, we would add: yes, but not for very long. There is a unique sense of alienation that arises at the moment when one realizes that one is unable to share events, activities, and a certain way of life with friends and family of lesser means. A giving individual is happier because logically s/he realizes the power in giving and

^{††} The new business mentality that comes with a sense of no limit to one's advances can be particularly liberating in the economies which have been government directed and controlled. Network marketing businesses have become a sweeping economic phenomenon in economies in transition as well.

^{‡‡} Modern marketing networks have their model and prototype in Islamic business-making originating in Al-Andalus, Spain. The Islamic systems were characterized by contracts relied upon by merchants, who would buy and sell on commission, with starting funds loaned by investors or with money invested jointly by merchants, who were often Muslim, Christian and Jewish. Such business partnerships created and promoted bonds of kinship that enabled very effective trade networks to form over huge distances. It is important to note here that not only was a unique trading system created; it also showed the power of commerce to bridge communal divides.

the power in discovering that one is capable of giving. It is in the act of sharing instead of hoarding that deeper satisfaction is found — at the individual as well as any organizational level. It is in and through social relations that our sense of wealth and well-being is reflected back to us and multiplied; it is in the eyes of the other that we see our esteem; it is in a productive community that we grow and prosper.

Consequently, the role of Economics of Dignity is, on the one hand, to record an already-present shift in economic needs and attitudes as well as to track certain development trends. On the other hand, it simultaneously charts, by means of intuitive understanding and creative envisioning of interdisciplinarity, a cutting-edge space of socio-economic interaction and fulfilment by taking into account a whole spectre of economic, social, psychological, and spiritual needs of the individual and the collective in an attempt to honor human potential to its fullest.

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