



## Is Economics a Value Free Science?

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### Abstract

*Does economics merely study society or does it play a decisive role in creating it? If it does play an important part in creating it, as phenomenology has long maintained and as quantum physics is now claiming about human consciousness and intention in relation to all of nature and society, it is hard to see how economics can claim that it is merely observing and explaining. It is within such a framework that uncertainty rears its ugly head. If we actually construct reality with our thoughts and actions rather than “uncovering” laws that have appeared from we know not where, then we all have a quite different moral responsibility for what we say and do. Prior to science, religion confronted this responsibility by referring to scriptures and personal revelations. Scientists, including economists, show similar signs of religious fervor in defending their paradigmatic assumptions, as Kuhn has shown so clearly in his study of the history of natural science. Rather than denying involvement, economists will have to accept moral responsibility for defending theories and policies that support a predatory system based on greed and fear, and even more important in the long run, a system that ignores the ecological effects of its thoughts and actions. This should lead to an economic science that recognizes the importance of other efforts to understand the society and nature that we all participate in constructing, and help foster a cooperative, holistic framework that seeks to maximize all human needs both material and non-material.*

### 1. Introduction

Is economics a value free science, and, if it is so believed, what, if any, are the unintended consequences of this belief? These questions remind one of the urgent issues in critical sociology in the 1960s and 1970s, issues of ‘engagement’ and ‘reflexivity’, which pose ontological and epistemological questions that entail more than extending economics beyond its current disciplinary boundaries.

### 2. The Historical and Philosophical Roots of Economics

In the 19<sup>th</sup> century, when natural science began to show such remarkable success in understanding and manipulating nature it was only natural that a budding social science should attempt to replicate this success in applications to society, though what exactly *manipulating* society was to mean as a philosophical question has been left largely unexamined, both then and now. Such questions do not trouble natural science since its efforts to understand and manipulate nature leave nature itself unconcerned (or so it was thought before the implica-

tions of quantum physics became better known). If natural scientists allow their theoretical and experimental efforts to be colored by personal (including paradigm) bias, their success in uncovering the mechanisms of nature will still be judged only by their results. There is apparently a good deal more emotional and judgmental content than is presupposed even by scientists, themselves, if we are to accept the historical (and philosophical) work of Thomas Kuhn. However, this doesn't generally alter either the process or the success of the scientific enterprise itself. Scientists do, of course, strive to be as objective as possible and with good reason, as their success depends upon it.

As we carry this issue over into social science, there are a number of troubling questions that are posed. First, as an ontological question, is society the same as nature? Do its mechanisms, when discovered, have the same meaning as those found in nature? Do they have the same origins in an 'impersonal' natural and/or evolutionary process? Do they serve the same purposes as in nature? Are there other non-mechanistic structures in society not found in nature? Are there completely different dimensions to society not found in nature at all? And another even more troubling question: Does social science *influence* the evolution and character of society, quite apart from any intentions of the social scientists? If the answer to the last question is yes, what moral and philosophical implications does this have for the social scientist, and does this alter the meaning of the term 'value free', and in what way?

These are questions that have troubled many disciplines, at least as far back as the early 19<sup>th</sup> century when the phrase *l'art pour l'art* was first coined in relation to the role of the artist in society, but they can also be extended to include any specialized activity in modern society with its highly developed division of labor. While it was first used as a clarion call to protect artistic creativity from untoward outside influence, it is also claimed, by the *Dictionary of the History of Ideas* (Volume 1, p. 111), to be "one of that numerous class of half-truths whose validity and vitality are dependent upon the effective presence of their complementary half-truths", i.e., here, "art for life's sake". Thus we find a tension in most specialized fields e.g., architectural design for design's sake versus for society's sake, or science for science's sake versus for society's sake, and economics for economics' sake versus for society's sake, etc. To apply this to economics would be to see the necessity of allowing economics to develop itself as a social science without compromising itself to outside secular interests, while at the same time protecting its relevance to society by addressing itself to contemporary economic problems.

This tension is apparent at least as far back as Marx's challenge to the set of neo-classical assumptions that have governed the field of economics throughout the 20<sup>th</sup> and 21<sup>st</sup> centuries up to present. It has also been very well summarized by J. Ron Stanfield in his book, *Economic Thought and Social Change* (Southern Illinois University Press, 1979), which describes the myriad ways in which the neoclassical approach, even after its compromise with Keynes, has become increasingly irrelevant to the understanding of (though not irrelevant to the implicit support for) the modern capitalist system. This is especially true with the heavy emphasis on mathematics, which causes neoclassical economics to rely upon increasingly questionable presuppositions about individual autonomy and full information in making choices, the myth of a self-regulating market, etc., to say nothing of the fact that no social science, least of all economics, is either value-free or apolitical.

In spite of this and many other critiques of the orthodox approach, little appears to have changed in the intervening years since Stanfield's summary, at least up until 1991 when Ge-

rard Debreu (“The Mathematization of Economic Theory”, *American Economic Review* 81 March, pp. 1-7) reports that the prestigious awards and memberships in economics, including Nobel Awards, are granted overwhelmingly to members of the Econometrics Society. Any attempt to confront the schism between ‘economics for economics’ sake’ and ‘economics for society’s sake’ must confront the entrenchment of this orthodoxy in the science of economics as well as in the institutions of the larger (capitalist) society itself. Indeed, economics faces the paradoxical situation in which both approaches to the science of economics are highly politicized and valued. Orthodoxy, because of its positivist stance, is bound to moral indifference and political conservatism: as in nature, one does not criticize the status quo, a question that has been much explored in the literature on the philosophy of social science. Orthodoxy is further deluded by its rich rewards from the larger society, not so much because of its ‘scientific’ approach, but because it doesn’t in any way question or criticize the institutions of advanced capitalist society. Social or heterodox economics is explicitly moral and political in its stance, as it questions not only the presuppositions of neoclassicism, but the social injustices and inequalities, to say nothing of the environmental externalities that neoclassicism ignores.

In a practical sense a post-autistic or reality-based economics should, by definition, be very interested in the social effects of economics as a practice, but it is struggling to do so within the specific language of economics as a discipline. There is here an implicit ontological assumption that the world can be divided into economics, political science, sociology, anthropology, etc., without doing any damage to the knowledge to be derived from these divisions, or to the society under study. Disciplinary boundaries are defended within academia as if they were ‘natural’, if not God given. Social scientists who stray beyond the confines of their discipline are often likely to be misunderstood, if not derided by all sides. This is not to say that there is no cross fertilization in social science, but there is always a pressure to translate the ‘foreign’ ideas into the language of the home discipline, however much this might distort the original meanings themselves. It would seem that to misunderstand and/or distrust ‘exotic’ meanings from another field is a major problem that would need to be overcome if economics or any other discipline is to function for the ‘sake of society’. It might even make sense to organize the social sciences around social problems and planning solutions, with each discipline gradually refocusing its efforts and vocabulary for the ‘sake of society’, rather than for the sake of the discipline. Meanwhile, it will still be necessary to examine more closely some of the hidden moral and emotional effects of the neoclassical paradigm especially, in order to focus attention on the problems that must be overcome in a reality-based economics.

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### 3. The Effects of the ‘Naturalistic’ Assumption on the Practice of Economics

One example can be seen in the cornerstone assumption that society is composed of isolated individuals making ‘informed’ decisions about all things economic. This is a necessary presupposition if the mathematics is going to work (though it’s possible that mathematics may be as much symbolic as functional in the overall endeavor to understand economic behavior, in any case). Meanwhile, any beginning student in anthropology and most in sociology can tell you that there is no such thing as an isolated individual. All people are members of groups. They are born into groups, they are socialized as members of a group, that is, they become human beings as part of a group process. And there are many levels of groups ranging from the family or its surrogates, to communities, to nation-states and entire cultures. These groups share common views about the nature of reality, views which they capture in all manner of symbols, including most importantly language, which represent that reality.

We must not go to the opposite extreme, however, and assume that human beings are merely a reflection of whatever group, community, or society they are members of; they are always in a dialectical relationship with their groups, and their individual identities and behaviors are always a product of this dialectic. Human beings are not, however, like molecules in a gas. They are not mere aggregations. They are structures of meaning and behavior that can also be understood and represented in higher orders of more abstract, though not necessarily, mathematical symbols. In large numbers human beings *may* be seen to resemble molecules and to display mechanistic patterns, and it is important to discover these patterns which may be totally unknown, unintended and/or even unwanted by the majority of people in a society or community. Even in smaller numbers, variables may be isolated that seem to explain or at least correlate with human behavior. But human behavior, including that in the market place, and with however many unintended consequences that might result, is always a product of consciousness and intention, hence the importance of economics’ *propaganda* as, for example in education, in theorizing, or even in journalism, as an effort to alter consciousness and behavior, and not just supply information as inferred by the ontological presuppositions of most of the social science theories.

But why not try to find out what would happen if human beings *were* like molecules in a gas? Could we not create a (mathematical) system that would tell us what such an aggregation would be like and how it would behave if we added certain other assumptions to this system? Of course we could; it would be something like solving a crossword puzzle, but it would be a travesty on human society....Or would it? Imagine that lots of economists were given lots of money and lots of prizes and prestige for creating such models of systems of aggregated individuals without culture, without emotion, without human values or meanings, (except for maximizing utility or profits, of course, so they would seem to have some purpose in these systems). Wouldn’t this influence people to behave more in the image of Homo Economicus? Probably not. Most people don’t know or care about what economists do or think, or even all that much about Nobel prizes. It would take a good deal more and probably a lot of time to get them to change their behavior from emotional, moral human beings who value such things as family and friends, and the security and esteem that comes from being loved and appreciated by those around them to cold, calculating, rational, greedy monads pursuing their utilities and profits.

Not to worry, the philosophy (and amorality) of orthodox economics has had more than a century to persuade people that being such a monad was in their best interest. But it took even more than that, more than just the propaganda about proper behavior to accomplish this transformation. It has taken innumerable programs and plans, (systems of reward and punishment in psychological terms) built into government and private sector policies, to move populations to the ‘proper’ form of thought and action to validate economic theory, cut off as it is from any other human concerns, concerns that might be present in other social sciences and more emphatically the arts and humanities, but whose systems of thought are out-of-bounds for economics. Today, in the developed world most institutions are run on economic principles, everything from hospitals and universities to theaters and concert orchestras, to say nothing of churches and families! Measures of ‘productivity’ are sought in all the corners of society, with enormous influence on the systems of thought and behavior that govern most of the important institutions of society. People have been persuaded and goaded into acting like Homo Economicus and *caveat emptor* to those who don’t conform. Anyone who doubts this need only listen to the Enron tapes or sit in on a meeting to discuss tenure appointments in the university, or even better view the American TV series, *Boston Legal*, where love and marriage are replaced by lust and money, where intelligence is reduced to cunning and where questions of justice are posed within a limited political spectrum ranging from red to blue, giving a kind of ‘purple haze’ to everything moral and emotional. It is, indeed, a marvelous portrait of a society trying to hold itself together with an ever diminishing supply of moral and emotional glue.

#### 4. Other Influences on Economics

As a cautionary note, this does not mean that other human values are not present in modern society or that all institutions are not subject to economic constraints. The problem is with the abuse of economic principles. A limited truth has been turned into a ‘cosmic’ ideology, sometimes bordering on religion. Economics, or any other science for that matter, cannot be seen as a self-contained intellectual enterprise, something which is unfortunately encouraged by academic provincialism. This is what leads to autism. Economics cut off from philosophy, from art, even from other social sciences, is bound to tend toward autism. Even natural science can be seen as autistic in this sense, when one considers how much of its research is now given over either directly or indirectly to military and/or corporate purposes.

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There is also, of course, the incestuous relationship between orthodox economics and capitalism. They were born in the same historical womb. The structures of power and wealth in capitalist society need economics to legitimize them, that is, to make them seem ‘natural’ and good. Economics gives theoretical and ideological, (i.e., emotional) depth to the rapacious behavior that characterizes modern corporations and banks and the governments that support them (because, ultimately, they are subordinate to them). This relationship gives many rewards to economists as professionals, reinforcing, emotionally, the feeling that what they do is important, that it matters. For, indeed, economists, like all human beings, have

emotions; they need to *feel* good about what they are doing. Corporate rewards are, of course, visited only upon those economists who stay mostly within the bounds of the neoclassical and neo-liberal agenda. Talking about ‘economic hit men’ as John Perkins has done is not likely to garner any accolades for them.

But do economists respond only to monetary rewards? Are they self-socialized to believe that only money matters? Maybe, but one can doubt it. There is pride and sometimes arrogance in believing that only you are doing ‘real’ science; that all other endeavors within the intellectual firmament, at least on the social side, are inferior, are ‘soft’, as is often claimed. Without going into the sexual reverberations of this characterization, for males at least, one can see many levels of emotion at play here. If behavior is emotionally driven shouldn’t economics be obliged to incorporate this into its intellectual framework, given the importance of economics in determining so much of what goes on in society? In other words, shouldn’t the efficiency creed of economics be to “make everybody better off *emotionally* without harming anyone *emotionally*”? This doesn’t seem unreasonable from a human standpoint – we are after all not only physical, but also mainly emotional beings – but it would certainly cause a fundamental change, as it is already beginning to, in the science of economics.

## 5. The Economic Construction of Reality

If one were to move outside the monetary framework in economics one would also move away from the natural science framework. In such a case, social science research would be theory-laden in a quite different way than is meant for natural science. Theorizing would necessarily have to move from a deterministic to a heuristic endeavor. This is because society is socially constructed. Socially constructed is meant in the sense that there are no biological or metaphysical plans, no laws of nature that determine human behavior. Homo sapiens are social animals, i.e., *they had to cooperate to survive over the long run*. During the 50,000 plus years of their existence they had to establish a basis upon which such cooperative behavior could emerge (which should give tragic irony to the neoclassical belief that competition should be the governing ethos of society).

In order to live and work within a cooperative framework, rules must be constituted. At first this was just a matter of agreeing among members of a tribe or other working social group as to how things were to be done, something that could usually be established empirically. However, whenever new members were introduced, e.g., new children born into the group, there was a need to formalize the rules so that the existing structure of thought and behavior could be passed on to succeeding generations. Quite ‘naturally’, these rules were complemented by roles: certain people assigned the role of accomplishing certain tasks. In time social structures of great complexity could be and were created out of these humble beginnings.

Thus, when infants are born they begin a long process of socialization into the reality that constitutes their social world. This process is handled at first by the family or its surrogates and later also by ‘significant’ others, such as teachers, religious leaders, idols, etc. The dos and don’ts, the rights and wrongs, the ideas of good and evil are heavily laden both emotionally and morally, given the dependent nature of the child/student/admirer, etc. This process continues in a much more subdued way into and through adulthood, with theater in

all its didactic, liturgical, and artistic dimensions playing a major role in maintaining, raising doubts about and/or stimulating change in the social world. Nobel Prize awards are a major theatrical or sociodramatic event, for example, giving emotional and moral legitimacy to certain kinds of intellectual endeavors. (See the many works by Kenneth Burke and, subsequently, Hugh Duncan, in this respect). Also, the student years are a very intense period for a variety of emotional and psychological reasons. Thus, economic principles and most of what is learned as a student have significant moral and emotional content. These principles are not value free, whatever the intention of the educators (who, as we have seen above, are not, in any case, themselves free from affect and judgment, given their emotional attachment to their own discipline and their particular paradigm within it).

Except for the biological survival, there is no need for consistency across social groups in the manner in which they are structured, hence the great diversity found by anthropologists during their many years of fieldwork. Nor is there any divine or natural law at work here; these are solely human inventions, though research in neurobiology suggests that there may be more biology than suspected (See Turner and Stets, 2005, *The Sociology of Emotions*, Cambridge, especially p. 310, and the related bibliography). In time there typically appear supra-natural symbolic constructs, often religious, but more recently scientific, as in social Darwinism, for example, that are used to *legitimize* the social hierarchies that have evolved. Orthodox economics can be seen in part as one such construct, used to legitimize capitalist society over the past two centuries or more. ***What otherwise might seem a harmless intellectual game, must rather be seen as a deadly serious effort to mold people's behavior and to construct a social reality in one's own (paradigm) image.*** This is the ideological (moral and emotional) dimension and these are the unintended consequences that a 'value-free' economics both fosters and ignores.

If post-autistic, heterodox economics merely moves across into positivist sociology and political science it might enlarge its social understanding somewhat, but it will not confront the ontological and epistemological issues referred to here. When critical social scientists talk about reflexivity and engagement, they refer to the fact that social scientists are also 'riding on the bus they are studying', as Peter Berger and Thomas Luckmann remarked in their classic study on the *Social Construction of Reality* (Garden City, N.Y.: Doubleday & Co., 1966). There can be no such thing as arm chair social scientists sitting in their offices and examining social reality; ***they are all helping to produce that reality.*** If that reality conforms to their theoretical image of it, they are just as likely not to have participated in constructing and maintaining that reality, making it a self-fulfilling prophecy. It must further be emphasized that a value-free self image using positivist methodologies in social science produces research results that are heavily biased to maintaining the status quo. In other words, if the existence of a social reality is assumed to be the product of natural or deterministic laws, its current state cannot be criticized, just as it would make no sense to 'criticize' the laws of nature that govern its (mechanistic) structure.

If society is socially (and not naturally or divinely) constructed and social scientists are actually important actors in that construction process, then ***they must also necessarily reflect on whether they agree with that structure so constructed and/or exposed by their research.*** They must take a moral stand on a social reality that is constantly being formed and reformed by the human beings who compose it, including themselves. This moral position

must, however, be informed by a constant questioning into the effects of a given social order, and into the evolving meanings of the philosophical and scientific terms that would inform such a quest. In other words, we are not talking about one's personal opinions and biases, but about the results of a public discussion or discourse on these issues, as well as a search for knowledge that would inform such opinions. This was the role of the agora in ancient Athens. But in a 'value-free' social science such questions are ruled out of bounds; they belong to some other domain, much to the joy of Alfred Marshall, for example, when over a hundred years ago he rejoiced in the separation of economics from moral philosophy at the university, giving economics the opportunity to get on with the business of creating a true 'science'.

At the same time, moral discussions are quite 'natural' to human beings; they constitute the manner in which they are socialized into any given social reality. As we have seen above, social reality is constructed not only intellectually, but also emotionally and morally. This characterizes not only primary socialization but also 'adult education', the process whereby any given reality is maintained (or questioned) through sociodramatic techniques and heavily loaded with emotional and moral content. What a social scientist discovers objectively must be and is constantly being created subjectively. There are no natural laws governing this process, and social science, especially orthodox economics, is a *very* active participant in this subjective process, *given the latter's access to the centers of power*.

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## 6. The Hidden Values of Value-Free Economics

What, then, are some of the hidden values of *economic science* (though not society in general which may still draw upon other residual sources of values such as tradition, religion, philosophy, etc.)? What *moral* values are imposed upon society by orthodox economics during the otherwise innocent-seeming pursuit of academic and professional goals? First, as already mentioned, are ego-centrism and **greed**: human beings must pursue their goals at whatever expense to others and they must maximize their 'utility' (that neutral-sounding euphemism that hides more than it explains). Second, is **cunning**: we live in a competitive social world that requires 'hard' calculating decisions (even 'tough love') and ruthless pursuit of one's goals. Third, as a by-product of the above, are feelings of insecurity and inadequacy, resulting in a 'lethal' combination of **envy and fear**. We mustn't be left to be complacent; we must be constantly reminded that there are others more competent, more productive, and especially, more wealthy who can more adequately meet the (moral) standards of a competitive world. Fear of losing one's status, one's sense of esteem, indeed, one's means of livelihood drives behavior in all capitalist societies, however mitigated this might be by (often degrading) welfare programs in some of them. Orthodox economics operates within an iron triangle

bounded by *greed, cunning and fear*; this is the extent of its social and moral world. This is the ideal image that it seeks to impose, and to a great degree has succeeded in imposing on human beings, especially in ‘free-market’ societies. Moral and emotional questions beyond this triangle are exogenous factors left to other actors and other disciplines: let them compete for access to the powerful who decide the direction of society.

Imagine if economics had spent millions of person-hours promoting and glorifying the theoretical goal of cooperation over the past century, with competition and its accompanying violence a necessary but secondary complement. (Has any less killing and plundering been done in the name of the ‘free market system’ over the past two centuries than in the name of religion, before and since?) Of course, if economics had demoted competition and elevated cooperation this would mean that it would have had to forgo all the monetary and emotional support that capitalism had given it during that time, and it certainly would mean that its reputation as a ‘hard’ science would be diluted, stranding the emotional satisfaction that such a characterization has bestowed.

## 7. Economics as if what People Needed Really Mattered

If current geopolitical behavior and mass media programming are any indication, the world is not a friendly place to live in, and most social surveys confirm this feeling everywhere in the world. According to U.N. statistics, military armaments are the leading trade item in the world today, at about one trillion U.S. dollars annually. In second place and closely related to military armaments (and military adventures) are narcotic drugs at something over \$400 billion. There is also a ‘healthy’ trade in white slavery and in indentured servants, persons mortgaging their future earnings (if they survive) for the chance to be smuggled illegally into one of the developed countries. All of these are indications of what most persons would label an irrational world system, but which in orthodox economic terms may be considered to be perfectly rational behavior in a ‘free-market’ system. There is also a grave, if not species-threatening, environmental crisis that has been produced by the drive for economic development (of both the socialist and capitalist varieties), also largely inspired by economic theory. As part of this environmental crisis we are also facing the unforeseen effects of profound climatic changes in the not-so-distant future, which also weighs on the minds of most morally and emotionally alive people.

All of this leads to a profound sense of insecurity and inadequacy mentioned above, a sense that had already been highly developed both in practical and in theoretical terms during two centuries of capitalism. At best, orthodox economic theory does not consider these feelings born out of the competitive, individualistic behavior required by capitalism to be in any way ‘unnatural’. At worst, they are considered to be necessary to keep labor disciplined and consumers in perpetual need of their frequent shopping ‘fixes’. Thus, if there is any value dilemma that is most damaging to humans in the developed capitalist countries it must surely be insecurity, or in the more extreme case, fear. Fear is important to legitimize the militarization of the planet, as reflected in the statistics on world trade above. It is built not only into much of adult entertainment, including political pageantry, but also into most of the cartoons seen by small children. It is the underlying rationale in the campaign against ‘evil’, reinforced by the Lusitanias, the Pearl Harbors, the Gulfs of Tonkin, the 9/11s, etc., that occur with amazing regularity when military adventures are in the offing and bankers are

in need of the profits of war. Insecurity and fear lead ‘nicely’ to aggressiveness and greed. They also, however, inhibit emotional development and the attainment of emotional maturity, or emotional intelligence, as it is now being characterized in educational theory.

It might be more instructive, however, to see insecurity and fear in the overall spectrum of human emotional needs. Much has been written about human needs, much of it commandeered by management theory in an effort to improve productivity. Here Abraham Maslow’s hierarchy of needs from his book *Motivation and Personality* (3<sup>rd</sup> Edition, N.Y.: Addison-Wesley, 1987. Originally published in 1954), is the most often referred to, though not necessarily as he intended it to be as a philosophical and moral question in a heuristic framework, which is related to both science and society as a whole. Based upon his experience with otherwise healthy, non-clinical patients he suggested the following hierarchy:

**Physiological Needs** – hunger, thirst, sex, temperature control, etc.

**Safety Needs** – security, stability, dependency, protection, freedom from fear, anxiety and chaos, need for structure, order, law, limits, strength in the protector, etc.

**Belongingness and Love needs (need for affiliation)** – need for affectionate relationships with friends, spouse, children and community.

**Esteem Needs** – two types

— **Self Esteem** – strength, achievement, adequacy, mastery, competence, confidence, independence and freedom

— **Social Esteem** – reputation, status, fame and glory, dominance, recognition, attention, importance, dignity or appreciation

**Self-Actualization** – need to become more and more, idiosyncratically, everything that one is capable of becoming, from ideal mother or father, to athlete, musician, carpenter, or whatever

The first four levels are often referred to as *deficiency needs* (without the satisfaction of which an individual may be considered psychologically ‘deficient’ or less than fully human) and the fifth level as the *being or growth need* (or the ultimate basis for realizing one’s self as a human being). To this hierarchy Maslow added two other (non-hierarchical) needs:

**Cognitive Needs** – the need to know and understand

**Aesthetic Needs** – present in all cultures at all times

Many readers of Maslow have been interested in the importance of his hierarchy in organizational terms and for this reason think of it as applying to adults only, however, or from wherever, they have arrived at adulthood. Thus, they miss the most important point of his theoretical effort. The hierarchy is a developmental hierarchy. The levels refer to the stages of a person’s life, starting with infancy and evolving throughout one’s life. Quoting from a letter from Maslow also quoted in Douglas T. Hall and Khalid E. Nougain, “An Examination of Maslow’s Need Hierarchy in an Organizational Setting” (*Organizational Behavior and Human Performance*, No. 3, 1968, p. 32) Maslow said:

... In the fortunate life history the safety needs are salient and satisfied during childhood, the affiliation needs during adolescence, and the esteem needs during

*early adulthood. Only as a person nears his fifties, generally, will self-actualization needs become strongly salient.*

Missing this point will cause one to misunderstand the meaning of his concept of prepotency. One does not strive to satisfy higher order needs until lower order needs have been more or less satisfied. *If at the appropriate age* the pertinent needs are not satisfied, persons tend to remain at that need level for the remainder of their lives, unless counseling and therapy help them to overcome this problem. This is why *emotional immaturity* is the most common psychological problem encountered by counselors and therapists, and also why incentives can so often be misinterpreted in social and/or organizational settings. In other words, when people do not respond in the predicted manner they may have residual needs from an emotionally deprived childhood or adolescence and will tend to interpret all incentives according to where they have remained in the need hierarchy. If they are in need of safety, they will seek security above all in adult situations, and even more striking if their physiological needs have never been satisfied they will seek solace in food or shelter, etc. Those who have been deprived of affection will seek to satisfy affiliation needs, as many of the young people of the 'love generation' during the sixties in the U.S. did. Most of these observations have been borne out by empirical research over the past 50-60 years since Maslow published his theoretical findings. However, as a result of the misunderstanding of prepotency, many followers of Maslow have focused on self-actualization as the need to be attended to by adults, ignoring the fact that few adults ever arrive at this stage in their development because earlier life experiences have not allowed it.

All this makes it imperative that we design an economic system that attends to human needs *at all stages in a person's life*. Obviously, neither 'shopping' nor individual utility-maximizing 'rational behavior' are sufficient to accomplish this. The benefit-cost ratios of these needs may not even be expressible in monetary terms, forcing a totally different conceptualization of 'utility' for economics. This, of course, assumes that economists are able to confront and to grapple with the idea that they are largely responsible for creating and constructing modern social reality, and that they therefore must accept the moral and philosophical implications that accompany this responsibility.

What would a different economic system look like? First, physiological and safety needs are satisfied primarily in the family setting. Thus, an 'emotionally healthy' economic system would in the first instance seek to satisfy the physiological and safety needs of its population and, hence, make all efforts possible to protect the family. This would mean, among other things that the over-exploitation of workers in the interest of increasing profits would have to cease, that any given society's system of producing food, clothing and shelter would have to be organized to serve all of its citizens, and that maternal (and/or paternal) leaves, as well as adequate systems of child care would have to be organized to serve families whose parents seek or need to work, etc. Satisfying these basic needs would require not only an adequate income in relation to the costs of food, clothing and shelter, as well as the guarantee that this income would not be cut off arbitrarily, especially when children are involved. It would also require the stress-free time necessary to fulfill these needs for dependent children. Of course, many economic issues are raised here, including whether or not it is necessary to repeat the history of western capitalist development with its heavy emphasis on urbanization and indus-

trialization, rather than exploring less resource and energy wasteful forms of meeting these basic needs.

Affiliation needs require not only a stable family environment but also a larger social community or mainly school setting in which these needs could be addressed. Here, of course, need for knowledge and understanding combine with need for affiliation to create many complicated problems for adolescents seeking to establish their own unique identity, as well as for the parents, teachers and counselors who assist in this important process. A careful review of the philosophy of Epicurus might not be out of place here. We must disregard, of course, the highly distorted terms and meanings that have been used to purposively misrepresent his thought since even before the rise of Christianity. His was not a socialist community in the strict sense of the word as all participants kept their own property, sharing if and as they saw fit. Absent in his 'stress-free' garden were angry and interfering gods (either before or after death), which eliminated an important source of fear and anxiety, but which made him anathema to organized religions. His emphasis was on friendship, kindness and equality (women and slaves participated fully), which would be quite compatible with satisfying the need for affiliation, and his search for pain-free pleasure *without causing harm to one's self or to others* would satisfy the need for a moral life, untroubled by feelings of guilt. His emphasis on finding pleasure wisely through friendship and with the *simplest* of material means would not make him popular (though it could surely make him therapeutic) in the present consumerist economies of the world.

Apart from long standing 'utopian' religious communities, there are a large number of adults in the U.S., some 50 million according to Paul H. Ray and Sherry Ruth Anderson in their book, *The Cultural Creatives; How 50 Million People Are Changing the World*. (NY: Three Rivers Press, 2000), seeking a simpler lifestyle similar to that proposed by Epicurus. They have abandoned, to the extent possible, mass society and the modern stress-filled life represented by it to live with and among smaller groups, either within large cities or often in towns and even on farms. They may not be followers of Epicurus, as such, but they seek many of the same goals to be found in a simpler life. Nor do they constitute an organized movement; Ray and Anderson found that most had no idea that there were others like them seeking the same lifestyle throughout the U.S. Nor does this movement towards 'post-material' need satisfaction appear to be restricted to the U.S.: Ronald Inglehart's *Modernization and Postmodernization: Cultural, Economic and Political Change in 43 Societies* (Princeton Univ. Press, 1997) shows clearly that similar patterns can be found throughout the world wherever basic physiological and security needs have been more or less satisfied at the appropriate stages of individual lives.

For early adulthood, organizational theorists have already studied many of the problems related to providing an environment where management personnel, at least, can begin to achieve the necessary esteem to allow emotional development into middle age, where self-actualization needs would begin to become salient. In any case, work would have to be seen as a means to quite different ends, that is, as a means to achieve self and social esteem, more than as a means to increase profits and/or income to further the consumption of goods and services necessary to keep an over productive economy in equilibrium and/or towards sublimated satisfaction of esteem needs. At the same time research has found that in many

societies, if not most hunting and gathering societies, persons spent a good deal less time in work than we do today, without any apparent loss of esteem need satisfaction.

Obviously, all social policies and programs associated with creating an emotionally mature population would entail costs, though a great deal more than simple accounting would also be involved, and would not in any way constitute the starting point for such an effort, in any case. In fact, it is this subordination of purely economic to social considerations that should mark any movement to a reality-based post-autistic economics. A complex matrix of age, stage in the developmental hierarchy of needs, socio-occupational and income class, etc., would have to be the paradigmatic model within which economic theorizing would take place. This could then be related to more traditional measures of production, development, return on investment, and so forth, to see how human needs could actually be satisfied. This would be necessary if and when economics decided to become a means (for society's sake), rather than an end (for economics' sake) in itself, something that would require a profound change in the entire 'culture' of economics as a profession and as an academic discipline, that is, primarily a change from a materialist to a postmaterialist economics.

These are, of course, only preliminary thoughts on how a new economics could be constituted. Nor is any of this totally new: E. F. Schumacher (*Small is Beautiful*, Harper and Row, 1973) addressed many of these issues half a century ago. And all the ideas are available in the many fields that constitute the social sciences, the arts and the humanities. Indeed, most fields, including economics, have seen a renaissance in awareness of the human being as a part of the disillusionment with mechanistic positivism and techno-rationality that has marked the 20<sup>th</sup> Century. Unfortunately, there are often only token references to things human via a simplistic overloading of the term 'agency', which must then stand for the action or behavior, the agent, and the intention(s) or purposes of the action, in addition to its more traditional connotation, the means used to accomplish the purposes. But it is a beginning, and as more efforts are made to incorporate human beings into theoretical formulations, more complex dimensions of the human being will be exposed and respected.

For an extended discussion and bibliography on many of the issues raised here see:

Gerald Gutenschwager (2004), *Planning and Social Science: A Humanistic Approach*, Lanham, Md.: University Press of America

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