

HOMO SOCIO-ECONOMICUS:
FOUNDATIONAL TO SOCIAL ECONOMICS AND
THE SOCIAL ECONOMY

by

Edward J. O'Boyle, Ph.D.
Mayo Research Institute

This paper was published in the *Review of Social Economy*, Fall 1994. For more information about the *Review*, go to <http://www.socialeconomics.org/review.htm>

Questions and comments should be directed to:
Edward J. O'Boyle, Ph.D.
Mayo Research Institute
1217 Dean Chapel Road, West Monroe, LA 71291 USA
Tel: 318-396-5779 E-mail: edoboyle@earthlink.net

In his introduction to *The Social Economics of Human Material Need*, John Davis directs attention to a paradox that only a few in mainstream economic thought are willing to admit:

The concept of need, that is, human material need, is perhaps one of the most paradoxical of economic concepts. On the one hand, the idea of need seems an inescapable dimension of economic life. We can hardly begin to talk about the problems and concerns that drive economic thinking without speaking about those individuals, families, and communities whose needs go unmet and who are hoped to be important beneficiaries of economic growth and social policy. On the other hand, mainstream economic theory today – whose prominence and self-proclaimed scientific standing challenge the most dedicated of humanists – denies needs can be distinguished from wants, and indeed denies that the concept of need has any legitimate standing in economics whatsoever. Need in the modern world, it thus results, is a matter of pre-eminence that nonetheless escapes formal recognition. Need is a real, inescapable dimension of contemporary economic life, but at the same time seemingly unworthy of the professional attention of those who devote themselves to systematically explaining economic life. In short, the very concept of need escapes us, while in every day life we continually respond to our needs and those of others (Davis 1994: 1).

This paradox, which has central significance for economics and the economy because any economic system that fails to help provision unmet need is unstable economically and politically, demands an extensive re-examination of economic thought. Essential to that re-examination and to the social economy is a reconsideration of human beings in their two central roles – work and consumption.

Such a re-examination is not a new undertaking for social economists. It is, rather, a continuation of a journey begun collectively more than 50 years ago by the founders of the Association for Social Economics and long before that by various social economists acting more or less individually. I invite others in the Association to continue with me on this leg of the journey for, as George Rohrlich said, “a burden shared is a burden made lighter.”

The paradox of need reflects vitally important differences between mainstream economists and social economists regarding the metaphysics of the human being as worker and consumer. Put differently, social economics and conventional economics are divided over the place of need and want in economic thought because they hold markedly different views on the questions who and what are the worker and the consumer. Further, both parties are scarcely aware that different perspectives at the metaphysical level, where discourse among economists rarely occurs, have a powerful influence on the different viewpoints taken at other levels where discourse among economists regularly occurs.

William Waters refers to this level or domain of investigation as “the philosophical base” of social economics and asserts that it attracts relatively little attention from students of economics. There are two other domains of investigation that along with the philosophical base, according to Waters, constitute the entire social economics discipline: “a description of the significant characteristics of the economy” and “social economic policy” (Waters 1988: 113-14). One cannot address the philosophical base of social economics without at the same time intruding into the domain of empirical observation because the way in which economists understand the functioning of

the economy is determined importantly by their philosophical premises. Further, since the economy is made by human hands, any misconstruing of its philosophical foundations likely makes dealing with a dysfunctional economy even more difficult.

The main concentration of this essay is on the philosophical base of social economics. At the same time, it also touches on the other two domains. This writer set out on this journey without a fixed itinerary, letting his curiosity in these matters take him from place to place. As it turned out, it led him across the wide expanse of social economics. Looking back, he sees no clearly better way to proceed.

The primary purpose of this essay is to probe the person of the worker and the consumer from a social-economics perspective and to compare that to what is received from conventional economics. Since mainstream economics for a long time has been calling its vision of the worker-consumer *homo economicus*, the vision from social economics referred to herein is *homo socio-economicus*.

This essay is divided into five sections: (1) human physical need and want, (2) conventional economics and physical need, (3) social economics and physical need, (4) subsidiarity and unmet physical need, and (5) the need for work as such.

It is neither hyperbole nor clever rhetoric to assert that authentic and long-lasting social economics cannot be constructed on the shoulders of *homo economicus* because, metaphysically speaking *homo economicus* is seriously flawed. Until a proper replacement is found, social economists will struggle to understand and explain how the social economy functions effectively and what to do when it does not.

Human Physical Need and Want

“Need” and “want” on occasion are used in ways that confuse rather than enlighten. For example, a peer-influenced teenager may affirm a need for a limousine to go to the senior prom. A stubborn senior citizen with a hearing loss may deny the need for a hearing aid. More likely, the teenager only wants a limousine whereas the senior actually needs a hearing aid.

Whether personally affirmed or denied, need is a requirement for human existence that derives not from the way in which need and want are used in the spoken language but from the materiality of human nature. A human want, on the other hand, is a thing that is desired, whether it is materially needed or not.

To this writer need means a requirement for survival and includes food, shelter, clothing, education, health care, and the like. Because it is a normative concept, need reflects the value systems of persons who employ the word. For that reason, much controversy surrounds its precise meaning. Although want surely is less controversial than need, it is not a satisfactory substitute for

need especially in the context of poverty where unsatisfied want conveys something different than unmet need.¹ In addressing the problem of poverty one must define the meaning of need with some precision in order to determine the extent to which society should provision the unmet need of the individual. More about this matter follows in the section on the principle of subsidiarity and unmet physical need.

In a market economy, consumers by virtue of their free will and intellect are able to choose within the limits of the goods and services and economic means available, both the wants that are to be satisfied and the needs that are to be met. They use this freedom wisely and demonstrate the rationality of human beings whenever their free will follows their intellect – that is, whenever they want the things that they need or, alternatively, whenever satisfying a want does not interfere with meeting need. Need, in other words, is an object of the intellect, a thing to be known. Want, in contrast, is an object of the will, a thing to be sought after.

The difference is real not only for consumers but also for producers, even if some producers are oblivious to it or disregard it entirely. A good or service that does not meet a need likely has greater consequences for a producer than a product or service that fails to satisfy a want because a need likely runs deeper and is less deferrable than a want. Wants include things that some persons might regard as frivolous, or fanciful. A fad or fashion is a want that is aroused by the behavior or influence of others and may even masquerade as a need. Genuine needs, on the other hand, include only those things which are consequential, constant, or commonplace and, for that reason, may recur more often than wants – a matter of some consequence to producers who depend on repeat business.

The individuality of all human beings means that, even though need proceeds from the materiality of human nature and in a general sense is the same for all, need in a specific sense is different from one person to the next. What constitutes a need for one person may be a want for another, such as a whirlpool bath for a person with arthritis as opposed to a person in good health. Some persons do not want what others in the same circumstances regard as needed, as with automobile seatbelts and motorcycle helmets. There are even instances when a thing simultaneously meets a need and satisfies a want. A sweater may be needed for the protection that it provides and at the same time desired for the attention that it attracts or the statement that it makes. Further, the needs and wants of any given human being change with age.

On occasion, consumers in a market economy will choose poorly in the sense that whatever they have chosen does not satisfy a want or meet a need. Others may mismanage their funds by satisfying a want at the expense of some need. Put differently, some choices made freely do not follow the direction of the intellect and, consequently, freedom of choice at times has outcomes that underscore human imperfection (i.e., they are not always able to achieve their potential fully).

A craving or obsession is a want over which the person has lost some freedom of choice. In some instances a craving becomes an addiction, that is a want over which a person has no control. A

dependency and addiction are alike in that both signify a loss of control. They are different in that feeding an addiction, as with the cigarette-addicted smoker, is life-threatening while maintaining a dependency, as with the insulin-dependent diabetic, is life-enhancing (for more on need broadly construed, see Braybrooke 1987, and Griffin 1986).

Conventional Economics and Physical Need

Conventional economics takes all of these - wants, needs, whims, fads, fancies, fashions, cravings, addictions, and dependencies - and reduces them to human wants. Setting aside need and focusing instead on wants allow mainstream economists to side step the intellectual biases regarding the use of value-laden concepts such as need, to cast consumer behavior in a value-free analytical mold and to represent economics as an exact, value-free science.

Human wants, according to mainstream economics, are addressed through a market economy wherein the consumer is represented chiefly as commodity-acquiring, want-satisfying, and utility-maximizing which proceed from the three core characteristics of human beings as individuals – solitariness, autonomy, and self-centeredness - and reinforce those characteristics. *Homo economicus* is much more than a clever add-on, or afterthought. *Homo economicus* is one of the foundations of mainstream economics.

By adding the mechanistic "invisible hand" to individualism, conventional economics is able to argue that the well-being of everyone is served best when each individual singlemindedly pursues his/her own self-interest. Thus, in a market economy, the individual pursuit of one's own wants satisfaction is the best means to the wants satisfaction of one's neighbors. Further, conventional economics construes resource (re-)allocation in terms of relative prices, thereby ignoring the role of unmet need in this process.

Strong advocates of libertarianism, such as are among neoclassical economists, do not deny the existence of unmet physical need. Rather, they do not affirm an *obligation in justice* to help the needy. They argue instead that properly understood altruism or charity is represented in the context of interpersonal utility functions. They construe other persons as instruments whose wants satisfaction contributes to the well-being of the individual self. Thus, interfering with the practice of altruism or charity is condemned not so much because it frustrates meeting the need and satisfying the wants of others, but because it diminishes the freedom and material well-being of the individual self. Neoclassical economics simply does not affirm the person of others in need and the moral claim on economic resources that derives from personhood.

Social Economics and Physical Need

Social economics rejects this ordering of priorities. The needy are seen primarily as persons,² not as objects, and economic systems are established principally to meet human material need so that

human beings are not diminished as persons by their unmet physical need. Notwithstanding the centrality of price to the process of resource (re-)allocation according to conventional economics, market economies in fact use the threat of unmet physical need to (re-)allocate economic resources in the sense that, whenever a resource holder assigns a price that is too high, the resource becomes idle and no longer produces income (Becker and others 1961: 292). The central dysfunction of the market economy and the dilemma of social economics is how to continue to (re-)allocate resources on the basis of unmet physical need without diminishing the person of those whom the market renders redundant.

In this regard, the public debate commonly turns on the work disincentive effects of programs of aid to the needy. Curiously, a wealthy society such as the United States faces a moral decision that a poor society does not. The resources available in a poor society in general are so meager that any help that the state provides likely has very little effect on the incentive to work. In contrast, it is precisely the material abundance of a wealth society that presents the real option to provision unmet need so amply as to create a significant disincentive to work. Making choices is at the very core of moral decision-making and, as a consequence, in situations where a lack of economic resources present public decision-makers with no real options from which to choose, there is no moral decision to be made.

In *homo economicus*, rationality is emphasized as to means is emphasized to the near exclusion of materiality. In that sense, *homo economicus* is disembodied and rational only in a narrow sense: no one other than the individual can know the final ends that he/she is to serve or pursue. *Homo economicus* knows what he/she wants, though conventional economists astutely avoid identifying the specific material needs of the individual, and given his/her income uses the market wisely to achieve the maximum satisfaction possible.

Personalism insists that *homo economicus* is a half-person because individualism overlooks the second dimension of human nature – the social being. The duality of human nature means that being self-centered, solitary, autonomous, unique, and self-made are not the only personal characteristics of consumers that matter much. Recognizing this, *homo socio-economicus* characteristically is other-centered, communal, dependent, alike, and culture-bound. In terms of behavior he/she is want-satisfying and need-fulfilling, utility-maximizing and utility-satisficing, privacy-protecting and company-seeking, and commodity-acquiring and gift-giving.

The personalist view in social economics argues that the individual dimension of human nature means that specific goods and services are selected by the individual consumer acting autonomously and looking inward at times to determine and serve his/her own self-interest. From the personalist perspective, the social dimension of human nature means that specific goods and services are chosen by the individual consumer who is constrained more or less by the social environment, looking outward at times to determine and to serve his/her own self-interest and at other times to determine and meet the needs and satisfy the wants of others, especially family members, neighbors,

and peers.

The individuality of *homo socio-economicus* enables him/her to make intra-personal comparisons of wants and needs over time. The sociality of *homo socio-economicus* enables him/her to make inter-personal comparisons at any point in time. Trendsetting is evidence of individuality. Protecting the environment through recycling is evidence of sociality (see Figure 1 for a brief summary of the person of the consumer).

Along both the individual dimensions, whenever free will follows an intellect that is properly informed, choices are made rationally and wisely. Otherwise, they may be irrational, unwise, or both. The pure rationality of *homo economicus* is a claim that does not stand under close examination.

If virtually everyone's individual needs are fully met even when some unwise choices have been made, one does not have to differentiate needs from wants unless using a specific good or service to satisfy a given want is dangerous or harmful. The consumer routinely will attempt to maximize both want satisfaction and need fulfillment. Simply put, with the one general exception of the harmful or dangerous good or service, there is no social questions in the sense that there is no unmet need.

On the other hand, if an individual's needs are not fully met even when that person has applied his/her financial resources wisely and even when none of the wants satisfied are dangerous or harmful, one must differentiate want from need. Under these circumstances, it is necessary to determine the extent to which society should intervene, by private means or public means, to help meet the need of the individual which he/she is not able to meet alone. In this regard, the principle of subsidiarity is instructive.

Subsidiarity and Unmet Physical Need³

Some social economists favor discarding the market economy entirely and replacing it with a command economy where human material need, it is argued, is better provisioned. This writer rejects that remedy for the United States on grounds that the market economy for some time has been provisioning human material need reasonably well⁴ and that, following the principle of subsidiarity,⁵ the state should intervene and provide help (subsidiuum) for only that portion of need that the private sector is unable to provision by itself. This principle, which reinforces the democratic principle by placing control of decision-making as close to the individual as possible, and not the sociality of human nature, transforms unmet human physical need from an individual question into a social question.

This mixed-economy remedy has *two* main advantages and *two* main disadvantages. As to advantages, it allows considerable individual freedom of choice, and it encourages personal responsibility for one's own need, thereby preserving a powerful incentive to produce. As to disadvantages, by permitting a wide exercise of personal freedom of choice it runs the risk that

individuals will use their financial resources unwisely - choosing to satisfy whims, fads, fancies, fashion, and to feed obsessions and addictions, at the expense of meeting needs and dependencies. Additionally, it opens the possibility that the strong will use the state not to help the weak but to enhance their own economic standing. The mixed-economy remedy is viable only as long as (1) the market economy continues to produce in abundance the goods and services required to meet human physical need, (2) individuals use their freedom wisely, putting needs and dependencies ahead of wants and obsessions, and (3) the strong truly care about the weak.

In personalism, truly caring about the weak means resisting the tendency to reduce them to mere objects. Le Troquer warns that this tendency is ever-present.

There is evidently in human society an inherent state of tension. Of course, society should be naturally directed to the good of the human person, but it bears within it the seed of conflict owing to its tendency to regard the person only as a mere part, an objective element in the whole social body. By so doing society loses its own nature, since it loses and oppresses its centre, the person (Le Troquer 1961: 54-55).

Resisting objectification may be likened to preserving freedom. Both demand eternal vigilance.

For social economists who accept the mixed-economy solution, there is additional work to be done regarding the determinants of consumer behavior in a market economy. In general, this means incorporating more fully and persuasively emotions such as whimsy, obsession, fear, impulsiveness, and peer pressure into an understanding of consumer behavior which is grounded too narrowly in rationality (for examples of work being done in this area, see Etzioni 1988, and Lutz and Lux 1988).

Seen from the perspective of the principle of subsidiarity, the market economy is a set of complex economic institutions to help individuals meet those needs, satisfy those wants, and indulge those whims, fancies, and obsessions which they cannot meet, satisfy, or indulge alone, at the same time preserving the widest possible exercise of personal freedom. If the market economy were able to provision all of these demands, there would be no unmet need and therefore no role for the state. The market economy, however, uses the threat of unmet physical need to (re-)allocate resources and for that reason there always will be a social question.

Unmet physical need is regarded as a social question, while unsatisfied wants, fancies, and cravings and unfed addictions⁶ are not, because unmet physical need threatens existence and routine daily functioning whereas the others do not. Failure on the part of the state to respond to the physical need that is unmet by the private sector has profound implications for the social values of freedom, equality, and community and thus for the personhood of those in need.

To illustrate, an addiction that is left untreated destroys the personal freedom of choice of the addict whether that person acquired the addiction more or less voluntarily as with a mother or involuntarily as with her newborn baby. Hunger destroys equality because begging for one's food

subordinates the beggar to the provider. Illiteracy destroys community because it interrupts the communication that draws men and women together.

Unmet physical need attacks the foundations of human dignity. By failing or refusing to provide help to these types of needy persons, the state denies that freedom, equality, and community are central social values. Further, the state thereby would be casting aside the principle of subsidiarity as a requirement of the good society. Under those circumstances, any help that the state provides to the needy would be for instrumental purposes only. Addicts, for instance, would be treated not to free them from their addiction but to reduce the probability that they will engage in criminal activity to support their addiction.⁷

Subsidiarity is consistent with a humanism that sees humans as unique beings of infinite worth. Any help that is provided under subsidiarity is intended principally for the purpose of protecting and preserving the dignity of the person. Instrumentalism is not consistent with that kind of humanism because human beings in need are seen either as the means by which the well-being of the individual self is enhanced indirectly as threats to the rest of society. Ultimately, any help that is provided under instrumentalism is intended principally to produce the indirect benefit for the individual self or to remove the direct threat to the rest of society.⁸

Civil rights such as freedom of expression and freedom of religion derive from the personhood of human individuals and inhere only in living human beings. The dead have no such rights. Given the direct linkage between human existence itself and material necessities such as food and shelter, it is virtually impossible to secure fundamental civil rights without at least minimally provisioning unmet human physical need. Any serious failure to recognize the moral claim that the needy have on the economic resources of society makes a mockery of such civil rights and of any system of government which proclaims that it was established principally to secure those rights. The exact content of the economic goods to provision that unmet need is re-defined continuously by the legislature just as the specific dimensions of the political goods in the Bill of Rights are continuously re-interpreted by the judiciary.

Social economics and the social economy begin with and center principally on *unmet* human material need. Even so, need fulfillment is not a replacement for the want satisfaction of conventional economics. Indeed, it is necessary in general to preserve want satisfaction because removing it means restricting freedom of choice and diminishing the individuality of *homo socio-economicus* as consumer. Want satisfaction is the corollary of voluntary unemployment which is preserved in order to assure the freedom and protect the individuality of *homo socio-economicus* as worker.

There is no authentic economics of unmet human material need without the principle of subsidiarity because without that principle the needy who are helped are seen as instruments or threats and thereby are diminished as persons. (For more on defining and measuring unmet physical

need, see O'Boyle 1990).

The Need for Work as Such: Self-Expression and Belonging

This section proceeds from three main premises. First, *homo socio-economicus* in the workplace is an instrument of work but more fundamentally is a person and for that reason matters much. Second, work is organized and performed through two main modes or channels conforming to the duality of human nature. Those modes or channels are referred to as individual contribution and teamwork. Third, work provides two main opportunities - self-expression and belonging -- which also conform to the duality of human nature.

Work may be defined as any activity that produces a good or service, whether the work is paid or unpaid and whether it is done for hire or not. Included under this broad definition are paid employment, unpaid employment in a family business, voluntarism, and home production. Work is any human behavior that is goal-directed and that "requires the continuous play of thought, imagination, judgment, and decision making" (Jaques 1990: viii). Jaques' definition of work is much wider than the definition employed in conventional economics. Indeed, because Jaques includes parenting in his definition (Jaques 1990: viii), work has a meaning that is wider than is commonplace even in contemporary society.

The common good of workplace communities has two aspects - objective and subjective. Transforming resources into goods and services through the common action of individuals is the objective aspect. Transforming the various human beings who work together - Schumacher refers to this as liberating "ourselves from our inborn egocentricity" (Schumacher 1979: 4) - is the subjective aspect of the good of such communities. Of the two, primary consideration is to be given to the subjective aspect (Wojtyla 1981: 45). For that reason, providing opportunities for self-expression and for belonging and thereby meeting the need for work as such is the primary goal of workplace communities.

Homo socio-economicus is more than a mere instrument of work. Human beings are ends in themselves and, therefore, meeting their needs, including the need for work as such, is more important than the things that they produce⁹ or their efficient utilization as instruments.

When it comes to production theory, conventional economists focus on instrumentality, and either set aside the problem of human dignity or presume that human material need is satisfied entirely through money. Social economists, in contrast, insist that instrumentality is subordinate to dignity and that because of the duality of human material need humans are not satisfied by money alone. *Homo socio-economicus* needs work itself.

Self-Expression: Meeting the Need for Work Through Individual Contribution

The duality of human nature means that human nature has two sides, the individual and the social. As an individual being, *homo socio-economicus* is unique, solitary, autonomous, self-centered, and self-made.

Work affords a person as an individual an opportunity to produce a good or service by contributing skills and talents that are uniquely his/hers. The process of hiring, for example, is an activity that by definition is performed individual by individual on the basis of each one's suitability for the work to be done, and the labor contract, whether formal or not, represents a commitment made by a person as an individual to contribute in some unique way to the production of some good(s) or service(s).

Production is organized to incorporate the contributions of workers as individuals not primarily for the benefit of the individual workers but mainly due to the fact that every human being has a special endowment of skills and talents, and typically a wide variety of individual skills and talents are required in the process of production. Skills and talents differentiate one person from another and for that reason reinforce one's individuality.

The act of hiring is an individual act in which a person is judged to be capable of making a contribution as an individual. Notice, in this regard, every job has its own (though not unique) title and work space. It is not just a figure of speech to call it "my desk," "my bench," or "my machine." Notice too that compensation is tied to individual contribution and is paid to persons as individuals.

The act of terminating too is an individual act - even though it sometimes is done in groups, such as through a reduction in force. It is the terminated individuals who bear any burdens that are associated with the action. The group, on the other hand, has no material needs apart from those of its individual members. Individuals have material needs because they truly *are*; groups do not because, strictly speaking, they are a figure of speech.

A major task for the person who holds a supervisory position is to draw from the individual all that he/she is able to contribute to the process of production without depleting the individual to the point where other duties to family and community are neglected. In this regard, the orchestra director is a particularly instructive model. *Homo socio-economicus* is a unique economic resource in that a human being alone among resources has the free will to withhold some productive energy. Bennis, according to Albrecht, estimates that over 60 percent of workers think that neither they nor their co-workers give their best efforts on the job (Albrecht 1987: 33).

Clearly, limits must be imposed on supervisors who otherwise would fail to properly recognize and reward the contribution of the individual and to safeguard fully the well-being of that person. Such limits are informed by principles such as equivalence and distributive justice; originate

from an assortment of sources including trade associations, unions, and the state; and take various forms such as work rules, grievance procedures, minimum wages and maximum hours, and health and safety regulations.

A private and personal decision to withhold some of the energy that one might contribute is further evidence as to the individuality of the person.¹⁰ Jaques asserts that creativity emerges when an individual finds or is given an opportunity to work at the fullness of his/her capacity and in that sense "*all* work is creative in principle" (Jaques 1990: vii; emphasis added).

Crosby provides a definition of creativity that expresses the concept appropriately for this writer's purposes. Workplace decision-making may be classified as either programmed or non-programmed. Programmed decision-making refers to tasks where formal, rational procedures, such as a formula or computer program, have been put in place for passively producing answers in given situations. Nonprogrammed decisions require conscious control because standard guidelines are not readily available. Nonprogrammed decisions demand an active involvement of certain mental faculties, the functioning of which is called creativity (Crosby 1972: 15). The effect of applying creative ability in an industrial setting is Crosby's way of defining innovation (Crosby 1972: 43). Nothing is more damaging to creative performance than a false sophistication that serves as a shield that masks insecurity (Crosby 1972: 89).

Typically, improvements in the contributions made by individuals that bear on the process of production as opposed to the product itself come in small increments because changes in the origins of any such improvements - the will and the intellect - commonly are gradual rather than radical. The Japanese workplace practice of *kaizen* pursues continuous rather than intermittent improvement in quality and efficiency. Revolutionary breakthroughs in Japan are regarded as belonging to an older paradigm (Gross 1989: 22). Albrecht suggests why this is so.

... creative and innovative activity is not necessarily separate and distinct from the day-to-day "efficiency" activity. It isn't as if a working person does something routine all day and then takes a break every now and then to do something creative. And it isn't as if the creative activity has nothing to do with the work. The routine work is the logical starting place for new ideas. The innovative activity is quite properly interwoven with the efficiency activity and serves to improve it in time (Albrecht 1987: 47-48).

From time to time, improvements take place that are better characterized as entrepreneurial as opposed to gradual. Just-in-time manufacturing, the personal computer, aluminum building studs, diapers and liquid-diet supplements for some of the elderly, and the network model of business organization are examples of several different types of entrepreneurial activity. Schumpeter argues that the central quality necessary for successful entrepreneurship is persistence - the will to continue in the face of heavy resistance and opposition (Schumpeter 1950: 132). Entrepreneurship underscores the role of the human will as one of the origins of improvement.

The U.S. economy tends to affirm entrepreneurship. The Japanese economy underscores the significance of gradual improvement. This contrast in experience and emphasis suggests erroneously that the two are fundamentally different, that entrepreneurship is creative activity and gradual improvement is not. Both, indeed, are creative because both are products of self-expression. Both, therefore, are legitimate ways for workers to meet the need for work as such that derives from their individuality.

The need for work is individual in part because the only way for a person to engage in work is by contributing skills and talents that are uniquely his/her own. In some cases the good or service produced actually bears the visible imprint of the individual contributor. In manufacturing, for example, it is common for the person who has inspected and packed the goods for shipment to insert a personal slip of paper in the package as a way of identifying the responsible party. In other cases, the contribution of any one individual may be completely submerged in the contributions of many other individuals and may never be visible to the user or consumer. Nevertheless, the contribution of the individual is no less real for being hidden.

Just as the performance of an orchestra depends on the separate contributions of the various individual members, so too every good or service produced reflects the contributions made by each one of the individuals involved. Thus, contribution means that in the process of production the whole of the good or service produced is comprised of its individual parts.¹¹ By affirming individual contribution as one of the two main channels for organizing and performing work, this writer insists that individuals make a difference even when that difference is not readily observable.

Homo socio-economicus has a need for work that is individualized because, if work is organized as if everyone who works is perfectly interchangeable, the individual may become so subordinated that he/she becomes in effect more object than person. Thus, personhood and the dignity that attaches to personhood rest on the contribution of the individual to work (broadly defined).

It does not follow, however, that the human being who works *ipso facto* is more of a person than the one who does not. Personhood is not a continuum. Rather, work must be individualized because otherwise the person who works may be reduced to a mere instrument in the workplace and thereby would be deprived of personhood. Further, whether deprived of the opportunity to work or deprived of work that utilizes his/her endowment, the person forgoes some self-expression and becomes less than all that he/she can be. The need for work as such derives in part from the need of the person as a unique, solitary, autonomous, self-centered, and self-made being to contribute something special and lasting and reflects an interest in one's individual being (self-interest) that is necessary to that person's survival.

The very endowments that differ from one individual to another and that make possible the production of a wide variety of goods and services mean that the need for work that is to be fulfilled through individual contribution is not the same from one person to the next. Given continuous

change in a market economy (demand) and much individual freedom in preparing for work and in choosing where and for whom to work (supply), the individual need for work as such must be addressed through methods that are continuously changing and that may fall short of fully accommodating that aspect of the need for work.

In an imperfect world, the task of meeting the individual need for work as such, therefore, is ever challenging and stressful. In general, the longer this need remains unmet - as with the unemployed, for instance -- the more difficult it becomes to address it successfully because with the passage of time idle skills and talents tend to deteriorate through *nonuse*.

There is, however, a positive side to all of this. Human beings are unique resources in that, even though they can withhold some of their productive energies, the very *use* of their skills and talents as instruments of work can lead to an *enhancement* of those skills and talents. For all other resources, *use* signifies *depletion*.¹²

Thus, the relationship between work and self-expression is not linear with work as cause and self-expression as effect. Rather, the two are so intertwined that each one at once is both cause and effect. Further, it is self-interest - a proper concern for one's own well-being - that prompts the individual contribution. In a market economy where individual income depends importantly on the economic significance of one's contribution, self-interest is essential to survival.

It is not uncommon for improvements in the workplace to have the same essential characteristics as creativity in the studio or on the stage. Artistic creativity is the development of an entire work that is not only unique but also complete. The artistic creation stands by itself and invites comparison with creations of the past. In essence, entrepreneurship is no different. The same can be said for craftsmanship. Indeed, sometimes it is quite difficult to differentiate art from craft. Further, both art and craft appropriately are called "work."

For sure, many improvements in the workplace are not entrepreneurial. Neither do they proceed from craftsmanship. Nevertheless, even what appears to be the most mundane kind of improvements in the workplace can be important forms of self-expression and can produce noteworthy improvements in self-respect and may have a far greater impact on self-expression and self-esteem than on unit cost, price, profits, or quality.

The role of the supervisor, therefore, encompasses not only evoking the full contribution that each individual is capable of, but also recognizing and rewarding the various steps taken in the direction of achieving an individual's full potential. To some extent, self-expression, as with virtue, is its own reward. Even so, recognition and reward are required because human imperfection makes every human being an unreliable judge of his/her individual contributions.

Only a short-sighted supervisor would begrudge individual workers opportunities for self-

expression on grounds that such opportunities conflict with the principal objectives of the company. Workers whose need for self-expression is unmet are dissatisfied workers and that, in turn, encourages them to withhold some of their productive energies, to become less efficient, and to be less concerned about quality. Thus, any unresolved conflict between labor and management, whatever its origin, results in an increase in the cost of production, a deterioration in quality, and either a decrease in profits, an increase in price, or both.

Belonging: Meeting the Need for Work Through Teamwork

Sociality, no less than individuality, is at the very core of personhood. Sociality means that in the workplace *homo socio-economicus* needs to be united with others in a common task not just to accomplish that task more successfully but also to develop more fully as a person. Teamwork, in other words, helps transform economic resources into goods and services and at the same time and even more importantly leads to a further unfolding of human beings as persons. Belonging, no less than self-expression, is critical to personhood.

Work affords a person an opportunity to produce something of value not only by contributing skills and talents that are uniquely his/hers but also by participating and interacting with others on a common task. Two persons working alongside one another is not teamwork unless there is some reason for the two to communicate as to how the work is to be done. Proximity is not closeness and membership is not participation.

Lindeman calls teamwork "acting jointly" (Lindeman 1924: 112) and Wojtyla insists on "acting jointly with others" (Wojtyla 1981: 31). Given global competition and the economic advantages that attach to the division of labor, teamwork is a *requirement* of the modern workplace.

Teamwork is the intertwined individual contributions of two or more persons toward the production of a good or service such that it is difficult to clearly and completely differentiate one contribution from another and to divide all of the responsibility for the final results among the various individuals involved. Thus, teamwork introduces another duality: responsibility that is both individual and collective.

Teamwork is organized by enlarging human motivation from individual goals pursued competitively to include common goals pursued cooperatively. To be successful, teamwork requires a blending of self-interest and a genuine concern for others. This blending is achieved, if at all, with some difficulty.

Cooperation helps organize the workplace by socializing the individual so that others at work on the same task are viewed as partners. Competition organizes the workplace by paying the largest rewards to the workers with the best performance records. Others, therefore, are viewed as rivals. The blending is difficult precisely because every member of the team must strike a personal balance

in the perception of others on the team as partners and as rivals such that the whole may become greater than it otherwise would be through a team-inspired enrichment of the contributions made by the various individual team members. To illustrate, the dynamics of an orchestra in concert may inspire or drive an individual member to a performance level beyond what might be achieved by that individual performing alone. Any failure in this regard means that the whole may become less than that through a team-induced impoverishment of individual contributions.¹³

Teamwork enhances self-expression by enhancing one's endowment, mainly through one-on-one and group on-the-job training. It cannot be otherwise because in the first instance teamwork depends on individuals contributing their individual skills and talents and, as stated previously, the very utilization of the endowment makes it self-reproducing.

Whether large or small, complex or simple, all teams have one thing in common - necessity or efficiency. That is, a team may be necessary in the sense that there is no other way to accomplish the task at hand or a team may outperform autonomous individuals on the same task. Additionally, teams may be permanent or *ad-hoc*, entrepreneurial or managerial, completely contained within a single operating unit or encompass several units in line or in parallel, single-skilled or multi-skilled, self-managed or hierarchically managed. Formally, they may be called natural work groups, field service teams, problem-solving or employee-involvement groups, cross-functional support teams, start-up teams, human resources teams, task forces, and the like (cf. O'Dell 1989: 38 ff).

The centrality of both individual effort and teamwork in the workplace argues for a dual system of rewards to separately recognize each. In a real sense, such a system reflects and reinforces the duality in human nature: one part individual being, the other part social being. For purposes of administering the workplace, the dual-rewards system presents the same delicate assignment of balancing between the perception of others in the workplace as rivals and the perception of them as partners. That is, a weighing of competition and cooperation as foundational organizing principles. Carla O'Dell, a consultant to the American Productivity and Quality Center, has found that reward systems have not kept pace with the reorganization of the workplace to emphasize the importance of teamwork. O'Dell's first recommendation in modifying reward systems relates directly to minimizing employee competition and to reinforcing cooperation (O'Dell 1989: 38, 45).

There are numerous options available to the company that seeks to reward its workers on the basis of collective effort as well as individual contribution. Gain-sharing is one method that has won some favor in the United States, although it would be an exaggeration to describe its utilization as wide-spread. For many firms with gain-sharing plans, the financial reward is relatively small alongside the worker's regular earnings. For a few, such as Lincoln Electric which is a Cleveland manufacturer of small electric motors and welding equipment, gain-sharing actually doubles the base-pay of the typical worker (Baldwin 1982). Cash bonuses tied to achieving pre-determined goals or milestones is another way of recognizing collective effort. In-kind bonuses are a third. A collective "pat-on-the-back" is another form of reward for team performance.

On occasion, the reward for teamwork is rudimentary: the employees get to keep their jobs. That is, sometimes reorganizing the workplace around teamwork is a last-ditch effort by the senior management to protect the financial viability of the enterprise.

Just as self-expression is the fruit of individual contribution, belonging proceeds out of teamwork. Belonging is the sense that one is an important member of the team in terms of its ability to accomplish its mission. Dempsey expresses belonging in the language of the typical worker: "... any day I'm missing they scramble around to get my spot covered" (Dempsey 1958: 254).

Work has two central actions: thinking and doing. When a person works completely alone and isolated from all other human beings, these two actions by definition are joined. When a person works in the company of others, these two actions may become separated. Indeed, it is not at all unusual in a modern industrial society to assign the thinking to one set of persons (management) and the doing to another (labor) and, furthermore, to identify thinking as a prerogative of management.

People cannot be joined into a team if the two central actions of work divide them. Given that thought precedes action and determines it, the doers inevitably will be regarded as subordinate to the thinkers. Teamwork becomes much more difficult in a work environment where the parties involved are divided into two unequal groups.

Teamwork then depends on management's valuing workers sufficiently as human beings to actively involve them in the decisions as to how the work is to be done. Belonging is the fruit of such valuing. This involvement, which affirms *homo socio-economicus* as more than a mere instrument of work, provides workers with additional means for effectively caring for one another on a regular basis. Thus, work mates are more likely to be caring toward one another when management is caring toward labor.¹⁴

In brief, belonging proceeds from teamwork and teamwork proceeds from caring. A person belongs when others care enough to involve him/her not just in doing the work itself but also in thinking about how the work is to be done. Further, caring is possible only when human beings are seen mainly as persons with material needs and not as objects or even as human resources.

Tischner explains the connection between teamwork (which he calls "solidarity") and caring as follows:

... Conscience is the foundation of solidarity, and the stimulus for its development is the cry for help from someone wounded by another human being. Solidarity establishes specific, interpersonal bonds; one person joins with another to tend to one who needs care. I am with you, you are with me, we are together - for him. We - for him. We, not to look at each other, but for him. Which comes first here? Is "we" first, or is "for him" first? The communion of solidarity differs from many other communions in that "for him" is first and "we" comes

later. First is the wounded one and the cry of pain. Later, conscience speaks, since it is able to hear and understand this cry. This is all it takes for communion to spring up (Tischner 1984: 9).

Caring presupposes not just a willingness to do what is morally right but also a willingness to discern what is right. Calling it "moral perceptivity," Dyck defines the disposition to discern what is right as

the ability to vividly imagine, that is, both to feel and perceive, what other persons feel and need, and how they are, or would be, affected by our attitudes and actions. This ability, when operative, informs our decisions as to whether there are moral claims upon us in a given situation, and if there are, which and how stringent. Thus, as one of the ways in which what is obligatory is revealed to us, this ability or sensitivity is an essential part of what we mean by our sense of obligation. Having a sense of obligation requires or entails having this virtue (Dyck 1977: 111).

Dyck insists that moral perceptivity is essential to caring or love of neighbor and that love of neighbor, in turn, is requisite for human community (Dyck 1977: 110-13). Since community cannot exist without moral perceptivity and since the individual members have a personal duty under contributive justice to support their community in order to protect the good that they derive from it, from an Aristotelian-Thomistic perspective moral perceptivity logically precedes contributive justice and informs it.

Belonging means being more secure than one would be if one were entirely alone. Families certainly provide security, but given the centrality of labor income and given that families do not control the workplace as they did prior to the industrial revolution, families cannot provide adequate security in the modern age. Teams may become workplace families that provide some assurance that the individual members are not alone in meeting their own physical needs and the needs of their dependents in a market economy. Notice in this regard that some business establishments even call themselves "family." Notice, too, that the root of *company* - a common word for a business establishment - refers to persons who break bread together (*Company*: back cover).

Belonging proceeds from teamwork and enhances it and teamwork, in turn, proceeds from caring, that is, from a genuine concern for the needs of the other persons who are members of the team. Caring, in turn, requires a willingness not only to do what is morally right with regard to other persons but also to discern what is right.

At rock bottom, the need of every human being to belong, which if met enhances personhood, is grounded in a special aspect of contributive justice which is called moral perceptivity. This means that belonging is not so much something that others confer. Rather, it is acquired by each individual through his/her willingness to feel and perceive what others feel and need and to be especially sympathetic with regard to their unmet need. Individuals are more likely to be caring toward one another when they see one another not so much as instruments of work but as

ends in themselves (See Figure 2 for a brief summary of the person of the worker).

Final Comments

In mainstream economics the final cause of economic change is maximizing utility in the household sector and maximizing profits in the business sector. For social economics, the final cause is meeting human material need. In this regard, except when satisfying wants interferes with meeting needs, accepting want satisfaction is necessary to assure the freedom and to protect the individuality of *homo socio-economicus* as consumer. Its corollary is accepting the voluntary unemployment of *homo socio-economicus* as worker in order to assure his/her freedom and protect his/her individuality.

Mainstream economists recognize no built-in dilemma besetting the market economy. Social economists, on the other hand, point to this dilemma: while the market economy uses human material need, more so than prices, to (re-)allocate resources, any system that fails to meet that need is unstable. For the social economy, one of the central task is discovering the ways of better provisioning human material need that do not interfere with allocative, technical, and dynamic efficiencies. For social economics, one of the leading priorities is resolving the paradox of need. The work that remains, for some of us at least, is a lifelong journey of re-examined economic thought.

REFERENCES

- Albrecht, K. with Albrecht, S. (1987) *The Creative Corporation*, Homewood: Dow Jones-Irwin.
- Baldwin, W. (1982) "This is the Answer," *Forbes*, 130(1): not paginated (reprinted with the permission of *Forbes* for distribution by Lincoln Electric).
- Becker, J. (1961) *The Adequacy of the Benefit Amount in Unemployment Insurance*, Kalamazoo: The W.E. Upjohn Institute for Employment Research.
- Becker, J., Haber, W., and Levitan, S. (1965) "Policy Recommendations," in J. Becker (ed.) *In Aid of the Unemployed*, Baltimore: The Johns Hopkins Press.
- Braybrooke, D. (1987) *Meeting Needs*, Princeton: Princeton University Press.
- Burns, E. (1965) "The Determinants of Policy," in J. Becker (ed.) *In Aid of the Unemployed*, Baltimore: The Johns Hopkins Press.
- Company: A Magazine of the American Jesuits* (1983), September, backcover.
- Crosby, A. (1972) *Creativity and Performance in Industrial Organization*, London: Tavistock Publications.
- Davis, J. (1994) "The Paradox of Need: An Introduction to the Social Economics of Human Material Need," in J. Davis and E. O'Boyle (eds.) *Social Economics of Human Material Need*, Carbondale: Southern Illinois University Press.
- Dempsey, B. (1958) *The Functional Economy: The Bases of Economic Organization*, Englewood Cliffs: Prentice-Hall.
- Dyck, A. (1977) *On Human Care: An Introduction to Ethics*, Nashville: Abingdon.
- Etzioni, A. (1988) *The Moral Dimension: Toward a New Economics*, New York: The Free Press.
- Griffin, J. (1986) *Well-Being: Its Meaning, Measurement, and Importance*, Oxford: Clarendon Press.
- Gross, N. (1989) "A Wave of Ideas, Drop by Drop," *Business Week*, June 16, Issue 3110, 22 (3 pages).
- Jaques, E. (1990) *Creativity and Work*, Madison: International Universities Press, Inc.

- Le Troque, R. (1961) *What is Man?*, trans. E. Smith. New York: Hawthorn Books.
- Levy, F. (1987) *Dollars and Dreams: The Changing American Income Distribution*, New York: The Russell Sage Foundations.
- Lindeman, E. (1924) *Social Discovery, An Approach to the Study of Functional Groups*, New York: Republic Publishing Company.
- Lutz, M. and Lux, K. (1988) *Humanistic Economics: The New Challenge*, New York: The Bootstrap Press.
- O'Boyle, E.(1990) "Poverty: A Concept That is Both Absolute and Relative Because Human Beings are at Once Individual and Social," *Review of Social Economy*, XLVIII(1): 2-17.
- O'Dell, C. (1989) "Team Play, Team Pay -- New Ways of Keeping Score," *Across The Board*, XXVI(11), 38-45.
- Ruggles, P.and Williams, R. (1987) "Transition In and Out of Poverty: New Data from the Survey of Income and Program Participation," U.S. Bureau of the Census (SIPP working paper).
- Schumacher, E. (1979) *Good Work*, New York: Harper and Row Publishers.
- Schumpeter, J. (1950) *Capitalism, Socialism, and Democracy*, New York: Harper and Brothers Publishers.
- Tischner, J. (1984) *The Spirit of Solidarity*, trans. M. Zaleski and B. Fiore, San Francisco: Harper and Row, Publishers.
- U.S. Bureau of the Census (1989) *Statistical Abstract of the United States: 1989*, Washington, D.C.: U.S. Government Printing Office.
- Waters, W. (1988) "Social Economics: A Solidarist Perspective," *Review of Social Economy*, XLVI (2): 113-43.
- Wojtyla, K. (1981) "*The Individual and the Common Good: Toward a Theory of Participation*," in A. Bloch and G. Czuczka (eds.) *Toward a Philosophy of Praxis*, New York: The Crossroad Publishing Company.

ENDNOTES

1. In the conventional principles textbook, need and want are addressed separately with want the focus of consumer behavior in one chapter normally at the front of the book and need, the center of poverty, in another chapter usually positioned at the back of the book.
2. See Burns for more on the three major attitudes toward the unemployed: potential contributors to economic output, threats to the income of others, and human beings in need (Burns 1965: 275-289).
3. This section draws importantly from Becker's 1961 monograph on benefit adequacy in unemployment insurance.
4. In terms of income distribution, among families with some *earned* income, inequality of earned income declined slightly between 1949 and 1984 (Levy 1987: 164-65). Even though the official poverty rate in 1984, based on information from the *Current Population Survey*, was 14.4 percent, only 5.9 percent of all persons were classified as poor in all 12 months of that year, according to information from the *Survey of Income and Program Participation* (Ruggles and Williams 1987: 7). The so-called "always-poor" rate for 1984 is all the more significant for our purposes given the relatively high annual rate of unemployment – 7.5 percent – for that year (see *Statistical Abstract* 1989: 377).
5. The principle of subsidiarity states that a larger and more powerful unit of society, such as the state, should not undertake to perform functions which can be handled as well by a smaller and weaker unit, such as the individual and his/her family, but rather should offer help where necessary to enable the weaker unit to function at full capacity (Becker 1961: 4).
6. Treatment for an addiction, this writer agrees, is a need. Whether it is a social question depends on the treatment success achieved through private means and the personal and social destructiveness of the untreated addict.
7. Methadone treatment, it seems, operates in this manner.
8. Reducing this risk is a worthy objective, and a program that helps the needy and *as a consequence* curtails criminal behavior clearly is better than an aid program that does not have this secondary effect.
9. Here this writer means the things themselves and not the physical needs they may satisfy.
10. Withholding energy through group action in a social conflict such as a strike is evidence of the sociality of the person.
11. In the section on sociality and the need for work we argue that the amount of the good or service produced and its quality depend on teamwork as well as on individual contribution.
12. As with all economic resources that are living things, human beings are reproductive and, as with resources that are animals, human beings are subject to fatigue and are re-invigorated by means of regular periods of rest. However, human beings alone among economic resources are able to learn new skills and acquire new talents.

13. This type of enrichment commonly is known as synergy and impoverishment of this sort typically is called entropy. "Entropy" and "synergy," it appears, are words that derive from physics (Albrecht 1987: 24-25) and are not appropriate to the personalism advocated in these pages. "Enrichment" and "impoverishment," in contrast, are much better suited to personalist economics.

14. Clearly, workers may be caring toward one another when labor and management are pitted against one another as adversaries. That kind of caring, however, is likely to be short-lived because to some extent everyone's capacity and willingness to be caring is depleted by the hostile labor-management relationship. In the same way, workers initially may be caring toward one another during a protracted work stoppage or a large and long-lasting workforce reduction. Under those circumstances, however, emotional and financial stress depletes the personal resources that make caring possible and effective.

**FIGURE 1. HOMO SOCIO-ECONOMICUS:
THE PERSON OF THE CONSUMER**

**THE DUALITY OF THE CONSUMER, NEED FULFILLMENT,
WANT SATISFACTION AND UNMET NEED**

Individual Being	<i>and</i>	Social Being
-------------------------	------------	---------------------

as a being who is both individual and social, consumer is both:

unique	<i>and</i>	alike
solitary	<i>and</i>	communal
autonomous	<i>and</i>	dependent
self-centered	<i>and</i>	other-centered
self-made	<i>and</i>	culture-bound

individuality of consumer means
that at various times he/she
makes intra-personal comparisons

sociality of consumer means that
at any point in time he/she makes
inter-personal comparisons ..

utility-maximizing	<i>and</i>	utility-satisficing
privacy-protecting	<i>and</i>	company-seeking
commodity-acquiring	<i>and</i>	gift-giving

may be: trendsetter +
conformist ++
traditionalist +

may be: do-gooder *
free-rider **
environmentalist *

apart from his/her individuality and sociality, consumer as person is:
free to act and therefore morally accountable
rational (whenever his/her will follows intellect)
emotional (whenever his/her will does not follow intellect)
capable, more or less, of achieving his/her full potential
foresighted and hindsighted

consequently,
the consumer's behavior is both:
want-satisfying and need fulfilling
utility-maximizing and utility-satisficing
privacy-protecting and company seeking
commodity-acquiring and gift-giving

+: much individuality
++: little individuality

*: much sociality
**: little sociality

**FIGURE 2. HOMO SOCIO-ECONOMICUS:
THE PERSON OF THE WORKER**

THE DUALITY OF THE WORKER AND THE NEED FOR WORK AS SUCH

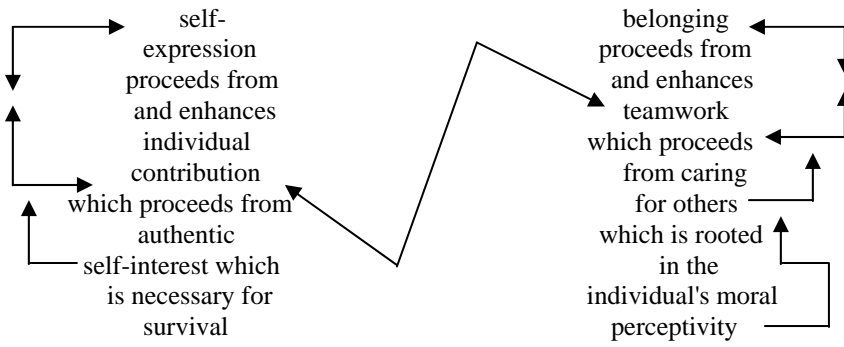
Individual Being

and

Social Being

work is an opportunity for human beings to develop more fully as persons by meeting their need for self-expression through their own individual contributions

work is an opportunity for human beings to develop more fully as persons by meeting their need to belong through the formation of teams in the workplace



: primary motivation and outcome
 : mutual causality

: secondary outcome

Note: development as an individual being and social being differs from one worker to the next because each one is a unique human person.
