

# Economics and the Measure of All Things

By

Rev. Dr. Todd F. Eklof

July 8, 2018

What business does a minister, untrained in the field, have discussing economics? Because, in ministry, as with much in life, as the saying goes, “it’s the economy stupid.” Whether it’s in politics, as was case when this saying emerged during President George H. W. Bush’s unsuccessful run for a second term, or in the average individual’s attempt to make a living in the world, economics is central to our lives. It’s no less so for those involved in ministry, whether those advocating for the *status quo*, because the economy, as it stands, benefits their specific religion, church, or ministry, or those prophetically challenging the current economy because it leaves too many people down and out. Economics is, and always has, been a primary concern of those involved in religion.

The word *economy* itself is comprised of two ancient Greek words common in the Christian scriptures, οἶκος, meaning, “a home,” or, more specifically, “an inhabited house,” and νόμος, meaning, “custom,” or, “law.” Together, οἰκονομος, is translated literally as, “manager of household affairs,” or, more simply, as “steward.” As a verb, οἰκονομῶ, refers to the stewardship, oversight, and management of household affairs. But the etymology of the prefix here, οἶκος, cannot simply be translated objectively to mean “house” or “home” because it connotes the idea of “dwelling in,” or, “inhabiting” a place. A home is not a building, but those who occupy it, which is why, in the past, families were referred to as a house, as in “The House of David,” for example. Hence, another version of this word, οἰκεῖος, is translated to mean “kindred,” or “belonging to a household.” So, economics wasn’t originally about financial institutions, systems, and structures, but about those living within these institutions, structures, and systems. In his book, *The Sane Society*, Erich Fromm laments the loss of this “most important of all” attitudes which he says, “had determined the life of [humanity] for centuries... the principle that society and the economy exists for [humankind], and not [humankind] for them.”<sup>1</sup>

Today, since we have a global economy—since we are all part of the same House and live under the same sky, the same roof—we need an economy that includes and works well for everyone. As Adam Smith, the father of Capitalism himself, said, “No society can surely be flourishing and happy, of which by far the greater part of the numbers are poor and miserable.”<sup>2</sup> Yet, if we continue the error of considering economics purely a financial matter, and conflate morality with utility, that is, with the idea of “the most good for the most people,” is good enough, then we can only conclude the global economy is on the right course. For, according to the latest United Nations reports, extreme poverty rates have been cut in half since 1990 and there are now less than 840 million people living in extreme poverty,<sup>3</sup> currently defined as less than \$1.90 per day, just over 11 percent of the global population.

---

<sup>1</sup> Fromm, Erich, *The Sane Society*, Henry Holt & Company, New York, NY, 1955, p. 85.

<sup>2</sup> Heilbroner, Robert L., *The Worldly Philosophers*, Simon & Shuster, New York, NY 1953, p. 53.

<sup>3</sup> <https://www.unglobalcompact.org/what-is-gc/our-work/social/poverty>

By themselves these numbers look pretty good, especially if they continue moving in the right direction. But the numbers can only produce part of the picture. It remains difficult to grasp exactly what living on less than \$2.00 a day means when the cost of living varies greatly from one country to the next. Likewise, even at only 11.5 percent of the entire population, 840 million people living in extreme poverty is for more than any of us should stand for. Those percentages climb when we consider only specific groups of people—like migrants, women, children, those with disabilities, nonwhites and other marginalized ethnic, indigenous, and religious groups, and becomes a majority of people if we count only those living in sub-Saharan Africa and Southern Asia.

Today we also hear alarming statistics, like eight individuals have more wealth than half the people on Earth, or the bottom half of U.S. families have a net worth of only \$11,000. But these numbers alone don't really tell us anything about one's quality of life. Just because a few people are suffering from economic obesity, meaning they've far more than they'll ever need, says nothing that is necessarily true about the quality of life for those who have much less. Just because some people are terribly overweight does not mean everyone else is starving to death. Nor does everyone having the same amount of wealth necessarily mean everyone isn't. As philosopher Harry Frankfurt says in his book *On Equality*, "From the point of view of morality, it is not important that everyone should have *the same*. What is morally important is that each should have *enough*."<sup>4</sup>

By conflating economics with money, measured by numbers and statistics, we miss its larger purpose, the welfare of everyone and everything under its roof. Economics ought not be strictly about the flow of money, but about the stewardship and care of all its resources, including natural resources, energy, and productivity, with the goal of maximizing human wellbeing and happiness. We need to shift concern for how *well* the economy is doing, to whether the economy is *doing* well. We need, that is, to consider its consequences, what it is accomplishing and whether it's working for everyone under its roof, which, nowadays means everyone under the sun. Frankfurt calls this the "doctrine of sufficiency," by which he doesn't mean having merely enough for everyone to get by on, but enough that having more wouldn't make one less unhappy. He says, "It is essential to understand that having enough money is far from being equivalent to having just enough to get by, or to having enough to make life marginally tolerable."<sup>5</sup> This is so, he recognizes, because, "People are not generally content with living on the brink."<sup>6</sup>

Here he comes close to suggesting, just as economics isn't about equality but sufficiency, it's also not about achieving wealth, but happiness. The United Nations' reports on poverty aren't concerned as much about the amount of money people have or don't have, but about the consequences of living poverty. "Poverty is more than the lack of income and resources to ensure a sustainable livelihood," it says, "Its manifestations include hunger and malnutrition, limited access to education and other basic services, social discrimination and

---

<sup>4</sup> Frankfurt, Harry G. *On Inequality*, Princeton University Press, Princeton, NJ, 2015, p. 7.

<sup>5</sup> *Ibid.*, p. 49.

<sup>6</sup> *Ibid.*

exclusion as well as the lack of participation in decision-making. Economic growth must be inclusive to provide sustainable jobs and promote equality.”<sup>7</sup>

Economics, in this sense, isn’t about everyone earning a respectable income, but about having access to healthy food, to quality education, an equal voice in how they are governed, and being able to enjoy all the benefits of society without prejudice, discrimination, or oppression. But how many of us think about economics in this way? That economics is about human health? That economics is about freedom and democracy? That economics is about promoting and protecting pluralism and diversity? And how many of us think a society without healthcare, democracy, and diversity has a failed economy no matter how much money there is?

This, it turns out, has been the major problem with Communism, an economic philosophy that began as a labor movement meant to create solidarity among struggling workers so, together, they could force business and industry to treat them fairly and ultimately make them the chief benefactors of their own efforts. Where Communists have taken control, however, instead of making human welfare the priority, the leadership inevitably becomes authoritarian and more concerned about retaining power than with its peoples’ freedoms. So long as such governments are convinced they only exist to manage and distribute resources, their economies fail. For no one can be truly whole or content without also being free—free to speak, to think, and to act for themselves, and free to have a say in how and by whom they are governed.

But the new economy, the global economy that has rapidly evolved during the past few decades, thanks to the technological revolution and communications network, has led to a worldwide reliance on a market economy and heavy trade, representing a form of global capitalism that most countries, including Communist Russia and China, participate in. So, the question of our day has little to do with communism, but with whether global capitalism exists for the wellbeing and happiness of all people, and, if not, which seems to be the case, can it be fashioned to do so? For many, the very word insights rage and resistance. It seems clear capitalism exists only for profit, requires neighbor to turn against neighbor in a dog eat dog world, the inevitable outcome of which must be very few having control of most everything at the expense of everyone and everything else.

Nobel Peace Prize winning economist, Muhammed Yunus begins his book, *A World of Three Zeroes*, by talking about the failures of capitalism, which have led to the concentration of wealth into the hands of a few, and all manner of social and political inequality. “Does the invisible hand produce its benefits for everybody in the society?” He asks, “The answer seems obvious. Somehow the invisible hand must be heavily biased toward the richest—otherwise, how could today’s enormous wealth concentration continue to grow?”<sup>8</sup> But Yunus, himself a capitalist, does not believe the problem is with capitalism, but with our negative view of our own humanity, of human nature. Although he admits, “Indifference to other human beings is deeply embedded in the current conceptual framework of

---

<sup>7</sup> <https://www.un.org/sustainabledevelopment/poverty/>

<sup>8</sup> Yunus, Muhammed, *A World of Three Zeroes*, Public Affairs, New York, NY, 2017, p. 8.

economics,”<sup>9</sup> that encourage “*greed, exploitation, and selfishness*,” he says real human beings, not those in this made up fiction, cherish our relationships with others, and are caring, trusting, and selfless. Yunus says, “They work not only to make money for themselves but also to benefit others; to enhance society; to protect the environment; and to help bring more joy, beauty, and love into the world.”<sup>10</sup>

Yunus’ positive view of humanity is the foundation of this series on the “Measure of All Things,” a mindset that rejects the need to repress human nature, as societies and civilizations have strived to do for ages, and, instead, seeks to let it fully unfold by establishing systems and institutions whose “sole criterion,” is fostering “human welfare” and enabling every individual to unlock their full potential. But if this is so, if it’s possible to be a capitalist and still promote a positive view of human nature that cares for others and cares for the environment, how do we explain what seems to be the mess it has gotten us into? To answer this, let’s turn to the inspiration for this series, Erich Fromm himself.

In his book, *The Sane Society*, Fromm discusses the changes that have occurred in Capitalism since it became the dominant western economic system in the 17<sup>th</sup> century. He begins by outlining its four common features. Firstly, to paraphrase, it requires that people be politically and legally free. Secondly, that they willingly trade their labor in exchange for capital. Thirdly, there must be a mechanism for regulating and setting prices on commodities (raw products), keeping them the same for everyone. And, fourthly, the principle that each individual seeks to make a profit for oneself. This much has remained true of Capitalism throughout the centuries. Even so, Fromm points out, early on, when society was still influenced by medieval culture, “it was supposed to be un-Christian and unethical for one merchant to try to lure customers from another by force of lower prices or any other inducements.”<sup>11</sup> He even cites articles written at the time that refer to those who undersell commodities as “shameful” and “covetous,” an attitude that was present in England, Germany, and France throughout the 18<sup>th</sup> century. “No economic progress was supposed to be healthy if it hurt any group within the society...”<sup>12</sup>

In the 19<sup>th</sup> century, however, this “traditionalistic attitude” took an exponential turn toward what he calls, “the ruthless exploitation of the worker.”<sup>13</sup> Pursuing profit at almost any cost was considered morally right, even at the expense of others, especially those one employed. “There was hardly any sense of human solidarity between the owner of capital and his workers,”<sup>14</sup> Fromm says. It was at this same time that people began to see themselves as passive actors in the realm of economics, meaning they had no choice but to adhere to the law of the jungle by competing for supremacy over others. “In this scramble for success,” he says, “the social and moral rules of human solidarity broke down; the importance of life was

---

<sup>9</sup> Ibid., p. 11.

<sup>10</sup> Ibid.

<sup>11</sup> Fromm, *ibid.*, p. 84.

<sup>12</sup> Ibid., p. 85.

<sup>13</sup> Ibid.

<sup>14</sup> Ibid., p. 86.

in being first in a competitive race.”<sup>15</sup> It was also less necessary for owners to trade capital for labor in direct relationship with workers. They could own shares in a business they never set foot in and sell products they had nothing to do with. Some even took pleasure in competing with and defeating their opposition. Freud called this compulsion for profit and possession the “anal character” and Fromm called it the “hording orientation.” Hoarders, Fromm says, “have surrounded themselves, as it were, by a protective wall, and their main aim is to bring as much as possible into this fortified position and to let as little as possible out of it.”<sup>16</sup>

But the gravest change to Capitalism in the 19<sup>th</sup> century, one that has continued ever since, is, “a living human being, ceases to be an end in [oneself], and becomes the means for the economic interests of another [person], or [oneself], or of an impersonal giant, the economic machine.”<sup>17</sup> This is not to say this attitude didn’t exist prior to this era. One need think only of slavery to know this, but, for the first time, everyone, worker and employer, had become like cogs in a machine, at least a step removed from the product of their own labor. Fromm sums up the danger of this in the words of Adlai Stevenson who said, “we are not in danger of becoming slaves any more, but of becoming robots.”<sup>18</sup> For under such a system, we lose our sense of creativity, our own purpose and productivity, and succumb to an authoritarian society, allowing ourselves to be ruled by the *anonymous authority of conformity*. “We do not submit to anyone personally;” Fromm said, “we do not go through conflicts with authority; but we have also no convictions of our own, almost no individuality, almost no sense of self.”<sup>19</sup>

This milieu became solidified in 20<sup>th</sup> century Capitalism, marked by four “drastic changes.” Firstly, traditional relationships between people increasingly disappeared, replaced, as he put it, by “a pure form of capitalistic society.” Secondly, the beginning of what we now call the *technological revolution* replaced manual labor with machine production. In 1850 machines provided only 6 percent of the energy for work, by 1960 it was 96 percent.<sup>20</sup> This led to a reduction in small businesses and a rise in big business assembly lines, opening the door to monopolies and giant corporations. At the beginning of the 1800s, 80 percent of workers were self-employed. A hundred years later it was only 25 percent. By 1950 1 percent of U.S. businesses employed 50 percent of its workers, while another 1.5 million employed only 6 percent.<sup>21</sup>

A third change was “the increasing separation of management from ownership,”<sup>22</sup> making it possible for one to have ownership of a business and product in a community one has nothing to do with, no thought of, and no reason to care about. The final drastic change during this era was the principle of mass production and consumption that has come to

---

<sup>15</sup> Ibid., p. 88f.

<sup>16</sup> Ibid.

<sup>17</sup> Ibid., 93.

<sup>18</sup> Ibid., p. 102.

<sup>19</sup> Ibid.

<sup>20</sup> Ibid., p. 104.

<sup>21</sup> Ibid., p. 105f.

<sup>22</sup> Ibid., p. 106.

define modern capitalism. It has resulted in the transformation of populations into consumers that exist, not for themselves, no longer as a means to their own ends, but for the purpose of the economic machine. "Everybody is coaxed to buy as much as [one] can," Fromm says, "even before [one] has enough to pay for [one's] purchases."<sup>23</sup> Being indebted has increasingly become a way of life for most of us, and the system itself has made us more compliant and less individual because 20<sup>th</sup>, and now 21<sup>st</sup>, century capitalism needs people, in his words, who "co-operate smoothly with large groups; who want to consume more and more, and whose tastes are standardized and can be easily influenced and anticipated."<sup>24</sup>

None of this is meant to be a condemnation of Capitalism. I consider myself as a capitalist and often jest I believe in it so much I think we should try it sometime. For what we have today is not true Capitalism. As we have seen, what exists in its stead has actually restrained its principles of individual freedom, the ability to pursue self-interests, to bargain for fair wages, and has nearly eradicated competition. The invisible hand has become a heavy hand. Without going into it further, this is so, I believe, because, again, we have conflated economics, which is supposed to regard all that is essential to human welfare and growth, to just the flow of money, and have, thus, made money the only thing important in our society.

In truth, I consider myself a capitalist, a socialist, and a communist, not because I agree with any of them, because I don't consider them ideologies one needs to agree with. They are, rather, social forces that were discovered and explained by those who saw them, Adam Smith, Charles Fourier, and Karl Marx, not choices. Every society is influenced by all these forces to some degree. Their success does not depend upon the quality of the ideas themselves, but upon whether the sole priority of a society is human welfare and individual fulfillment. Right now, our entire system is defined by 20<sup>th</sup> century neo-Capitalism. Our economy is capitalist. Our government is capitalist. Our legislators are capitalist. I would prefer a capitalist economy that is regulated by a socialist legislature looking out for the general welfare, a truly democratic government that's ruled by the people, and that all people have an equal voice in, and are regarded without prejudice.

The capitalist economist I mentioned earlier, Muhammed Yunus has outlined a plan to eliminate poverty, unemployment, and carbon pollution through the establishment of social businesses, "a nondividend company dedicated to solving human problems,"<sup>25</sup> the kind of businesses that are now cropping up all over the world, started by ordinary entrepreneurs who care more about others and the Earth than accumulating mass amounts of wealth. For Yunus, Capitalism isn't incompatible with a greater bottom line than money, that of social and human wellbeing. Nor is it incompatible with Socialism, the idea that a government should not be fascist or authoritarian; nor even with Communism, the idea that resources should be distributed in ways that meet the needs of all. For, in the end, no economy can work that is unsustainable, and no economy can be sustainable or successful that doesn't care for the needs of everyone and everything under the sun.

---

<sup>23</sup> Ibid., p. 108.

<sup>24</sup> Ibid., p. 110.

<sup>25</sup> Yunus, *ibid.*, p. 27.