

# Towards a relational economics

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## 1. Introduction

The question posed is: *How can we construct an economics consistent with the biophysical limits to economic growth?* By this I assume is meant an economics that concerns itself with how human economic activities can be carried through in a manner such that we all can live well without doing irreparable harm to the biophysical environment in which we live. As the organisers of this collection suggest, being able to address this issue in a relevant manner will likely require a significant change in the fundamental tenets of the economics discipline itself.

My (necessarily limited) proposal here is that, as part of that required significant change in fundamentals, economists concern themselves in an essential manner, certainly more than is currently the case, with *social relations*. It is vital to recognise that most social phenomena are relational in nature, so that an economics that can have any relevance, including one that seeks to make proposals consistent with avoiding severe damage to the biophysical environment, will be attuned to the relational nature of all that goes on.

Of course, social phenomena possess other significant properties too, not least those of being contingent, generated in systems that are open not only in the present but to the future, and so appear typically not in regular sequence but as parts of (cumulative) causal processes that can stretch or endure over time in non-predetermined ways (see e.g., Lawson, 1997, 2003, Lawson and Morgan, 2021a). But it is the relational aspect of all this (and so relations that are necessarily in process, being reproduced and transformed through our activities) on which I focus here.

I set out my argument in a number of short sections where I cover 1) how social relations and relational phenomena emerge through processes of *social positioning*, rendering social relations all-pervasive, 2) how (academic) economics as traditionally practiced needs to change to accommodate the analysis of social relations, 3) the bearing that the sorts of social relations in question have on social life, not least on the possibilities for human flourishing, 4) the need there is for a critically oriented (relational) economics, and also 5) the implications the current relational situation has for the content of an economics concerned both with relevance and with moving the economy forward in an environmentally sustainable or responsible fashion coherent with facilitating human well-being.

## 2. Social positioning

Most social phenomena are in fact constituted as *components* of human *communities*. The process of component construction is as follows. Community *positions* comprising *packages of rights and obligations* are created and persons and objects are allocated to them, the result being community components. In the case of *person positions*, the person occupants of each one can themselves access the rights and obligations that constitute the position, where these bear upon allowed, required or disallowed *ways of acting* of the components so formed. In the case of *non-person or object positions*, the rights and obligations that constitute each position are accessed not by the position occupants of course, but by various person components in the same community. Indeed, an object position consists of a *subset* of those rights and obligations that constitute person positions in the same community, namely those that determine the allowed, required and disallowed *uses* of the object component associated with the object position in question in the relevant community. It is through such positioning processes, then, that community components such as teachers, students, nurses, tickets, passports and pedestrian crossings are constituted.

Each right (obligation) that is part of a package that comprises a person position is matched to an obligation (right) also part of a package comprising a (typically different) person position. These matched right/obligation pairs are social (power-over) relations. The (component) wielder of a right has *power over* the one with the matched obligation. Rights and obligations are positive and negative *deontic* powers. So, all community components are formed by positioning persons and other entities, that is by placing them in social relations so that components formed are seen to be relational in nature.

It is a mistake, then, to view the essential properties of social entities, at least those that are community components, as intrinsic to the items that come to occupy positions. Rather the essential properties of community components are the positional relations that determine their legitimate actions and uses (for an extensive elaboration of all this see especially Lawson, 2022, but also 2023a, 2023b, and Lawson and Morgan, 2021b).

Thus, a chairperson at a seminar usually possesses and exercises the right (a positive deontic power) to determine who asks the next question, and more generally the order of speaking at the meeting. However, the person X occupying the position of chairperson would likely be in a lot of trouble if he or she, etc., seeks to act in a similar fashion away from the seminar. The rights in question belong only to the relational component that is the chairperson of the (community that is the) seminar, not to the person X who contingently occupies the position. In similar fashion, the community uses of a (relational) community entity like money are determined by associated social relations (matched right/obligation pairs) that constitute the money position and are not intrinsic to the kind of thing (a form of bank debt, or a kind of commodity, a type of precious metal, or whatever) that contingently occupies the money position (see Lawson, 2022).

So whatever other properties social phenomena may possess (and amongst other things, to repeat, they are in continuous transformative process) community components, which comprise most social phenomena, are relational through and through. Even *non-social* phenomena and (social) human *artefacts*, both of which are determined in kind (that is, as the sorts of things they are instances of) independently of processes of community positioning, have to be socially positioned to be made use of in the community, and so are thereby formed into social relational components. Thus, books are (positioned in a manner as to be) formed into commodities, or into library, or privately held, books, buildings are positioned as, say, hotels or churches, and metals

like gold may even be positioned to form money. Relationality is ultimately the mark of everything that figures in community life, that is in human social life.

In fact, all geo-historical forms of societies or communities can be characterised precisely by the sorts of (historically specific) social relations that prevailed and were constitutive of the types of (community) components that have manifested<sup>1</sup>.

### 3. Immediate implications

But so what? Well, for starters, if the foregoing is correct, it follows that most of contemporary economics ought really to be ditched. For the vast majority of contributions rely on methods of a sort that, to have any relevance, actually *necessitate an absence of operative relations*.

I refer, of course, to the widespread and seemingly unceasing reliance on methods of mathematical modelling in economics. These are everywhere adopted in an *a priori* fashion despite their failure so far to generate new insight. Such methods, to recall briefly, are appropriate only where the objects of analysis act in the manner of isolated atoms. For, in order that the methods can be successfully wielded in some domain there must be patterns or correlations of the generic form 'whenever event X then event Y' occurring in that domain. But this in turn requires that in the relevant domain there are factors that (are atomistic in the sense that) in repeated given conditions X they always act in the same way Y, and that there is nothing else going on to prevent Y from being realised. The latter requirement means that the causal factor(s) producing Y is(are) isolated from other causal phenomena. Clearly a causal factor cannot be isolated where it is constituted in relation to other phenomena. So, the relationality of real-world social phenomena is itself sufficient to explain why it is that the project of economic modelling has supplied no insight after so many decades of trying. (In addition, of course, the processual nature of social phenomena undermines the presumption of fixity of causal responses, of causal factors acting like atoms).

If social phenomena are found to be relational in nature, meaning there is (ontological) depth to social reality, then the goal of seeking correlations with the hope of making predictions is reasonably replaced by that of causal explanation (an approach that figures centrally in most other disciplines, [as in moving from, say, symptoms of an illness or a puzzle to the virus or agent or whatever responsible]). That is, instead of endlessly pursuing correlations amongst surface phenomena like events and states of affairs – where the failure of this enterprise so far is a clear sign that social reality is open (that situations in which social event regularities occur are rare at best) -- the relevant concern is with identifying the (ontologically) deeper phenomena of social relations that underpin and are causally responsible for the phenomena of experience, and through which we organise our lives.

Given that most things that happen in the social realm involve human activities, social explanatory endeavour of relevance will be especially oriented to *accounting for human activities of interest* (say those bound up with crises, oppression, discrimination, environmental damage, caring,

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<sup>1</sup> Thus, community relations (consisting in matched rights obligations pairs) have constituted human persons as feudal lords and vassals, landlords and serfs, kings and queens, cooks and cleaners, and members of castes, etc. And they also constitute us as owners of the means of production, bankers, all other forms of wage laborers, military commanders, etc. And they constitute physical items as not just money, but as cheque cards, cash, tickets, passports, pedestrian crossings, forms of capital, types of military weaponry, etc.

reducing economic harms, emancipatory successes) in terms of the (underlying deeper) relations that render them feasible (and in that sense are causally responsible).

#### **4. Biophysical limits and wellbeing**

Of course, the question to be addressed here is about more than how to achieve an economics that is once more capable of providing real-world insight. It is also, and especially, about how we intervene in the world, and in particular is about finding, or facilitating, ways for human activities to proceed without our doing irreparable damage to the biophysical environment. But it is additionally, or ought to be, about even (and much) more. For the point of any interventions of this sort is to improve or safeguard the well-being of humans and other species. Certainly there is no point, or at least far less point, to considering how to avoid damaging the biophysical environment if we do not actually care how human beings and other species fare anyway.

So, in order to go further in addressing the question posed, more ontology -- that is more enquiring into the *natures* of the kinds of things with which we are concerned -- is unavoidable. In particular, if we are to make interventions, we need to be knowledgeable of the nature of the materials involved (social and non-social) so that we may act on them in appropriate ways (regarding social phenomena there is no point in treating complex relational social structures as if they have the properties of isolated atoms), and we need especially to understand the natures of all those species including human beings that any interventions are intended to benefit.

Economists traditionally claim that such matters are not their concern. But just as it is the case that when they adopt methods of modelling, these economists are implicitly (doing ontology by way of) making commitments to a particular conception of the nature of social reality (that it consists of systems of isolated atoms), so when they advance policies supposedly designed to achieve growth, low inflation, lower unemployment, and the like, they are (once more doing ontology in) supposing in effect that the *natures* of human and other species are such that economic growth etc., are always good for them. And, just as the implicit presuppositions involved with method choice are easily shown to be inappropriate when examined (explaining continuing modelling failures) so those that underpin these economic objectives (such as the presumption that growth is always good for us) are generally seen to be misguided when examined.

#### **5. Human responsible flourishing**

So, what is human nature? *If* we suppose there is no such thing, that there are no natures to anything including human persons, and some do, then there is no point to the exercise anyway. For, if there is no way in which an entity of any sort can be true to, or fulfil, itself, that is, be authentic, then there are no conditions that allow it to thrive according to the sort of thing it is. Then any conditions for it are as good as any other.

Human beings I have elsewhere argued, do clearly have capacities and needs that make up their nature, and so are capable of flourishing (see especially Lawson 2015, but also 2023a). But it is also evident that human persons have both some needs in common (for example to enter capably into social being, to acquire language, etc), as well as some that are not (those related to different ages, sexual orientations, biological features, cultural upbringings, etc.). So, the goal must ultimately be to bring about a world in which we all (and other species too) can flourish *in our*

*differences*. This includes, of course, seeking a conception of a world of this sort that is shaped to fit with what is possible given (not only the nature of facilitating and delimiting social relations but also) the limits set by the planet's biophysical nature. So, to put it more succinctly the goal is a world in which we all can flourish *responsibly* in our differences.

Clearly any specific proposals for economic or political interventions require more to be said about (the obviously contested matter of) specific human needs or aspects of flourishing than I can possibly address in a short note such as this. But one feature that I have argued for repeatedly elsewhere (as part of an account systematised as *critical ethical naturalism*) and emphasise here is the assessment that the flourishing of each of us depends on the flourishing of all others (and other species), and at some level we all know this to be the case (see e.g., Lawson, 2015, 2017, 2023a, Martins, 2017, Ragkousis, 2023). So, at some level we all, or most of us, will the flourishing of all others. This feature takes the form of an ever-present disposition, a tendency in all or most of us, to care for others (albeit one that is continuously counteracted to a degree by other factors); and it explains why in a world dominated by ideologies of greed, selfishness and othering, along with processes of dumbing down, misrepresentation, manipulation, and deceiving, we somehow still act as caringly to each other as much as we do, which for most of us most of the time is significantly.

If I am half correct about this, it means that in order to flourish fully and responsibly we need to work towards a world of generalised caring, giving and cooperating, supporting a world of harmony, love, peace, kindness and such like (away from one that is oriented to discrimination, oppression or feeding greed and other misguided ambitions). And, of course, any actions taken towards achieving these ends must themselves be caring and generally consistent with these same ends.

## **6. A critically reflexive economics**

But what does 'working towards' such a world involve for a reoriented economics specifically? I have emphasised that we are human persons in relations. As human persons we, most of us most of the time, I have also suggested, reveal a disposition, a continual tendency to act in ways that are caring, that move us in the direction of a world of generalised human flourishing in our differences. But it is the social relations through which we exist and act as social beings that make the difference; these can be facilitating of such tendencies, or they can act as obstacles.

If this is right, then an economics that has any relevance will be *critical in nature*, being, amongst other things, concerned with identifying the causes of social harms and oriented to determining whether relations revealed in causal explanatory endeavour are consistent with generalised and responsible human flourishing, *critiquing* (including suggesting ways of transforming or replacing) *those that are not*. Just as in medicine the uncovering of the causes of symptoms leads automatically to the question of whether the causes are harmful to the patients and/or others and should be removed, so the same can and should apply to social relations uncovered in an economics of relevance. So, for an economics to contribute to achieving a world of harmony, etc., of generalised human flourishing, is for it to be oriented fundamentally to *explanatory critique*, with social relations the primary focus.

## 7. Growth, accumulation and money, etc

And under the current system it is clear that the relations that prevail are very often by their nature harmful to persons, the environment, or both. It is evidently the case, for example, that harm has long been, and continues to be, done through forms of gender relations -- which usually ensure that one gender sub-group (typically that of men) is able to discriminate against, oppress, or in some way benefit at the expense of other subgroups -- through (oppressive) race relations, and through (discriminatory) immigrant and citizen relations and so on. Here, though, the major disparity to pull out (given the initial question posed) is between human needs and the conditions of responsible flourishing on one side, and, on the other, the nature of social relations of specifically *processes of production* (including distribution).

In particular, relations of the sort that prevail (or the more fundamental ones) ensure that the means of production are owned by the few, and that these owners are consequently served by the many in the task of generating a surplus for the former. Competition compels the owners (whatever their preferences and concerns) to keep accumulating in order to survive as capitalist producers, which for many at least means endlessly seeking growth, ways to increase productivity, of acquiring additional, cheaper inputs, especially of forms of energy, perhaps ways, too, of masking, or avoiding responsibility for, harmful side effects of the production processes, or of exploiting any discriminatory gender or other relations as exist in relevant localities, ways of making consumers want both more and different sorts of things whether they are needed or not, and so endless waste, and so on. At the same time, most of the rest of the community have to serve as wage labourers in order to survive at all, and to do so in ways whereby most necessarily receive but a fraction of what they contribute, certainly of the value of the final product, and, like the environment, are regularly irreparably damaged in the process.

Meanwhile developments in technology that have the potential very often to benefit humanity (if significant resources were to be devoted to their development), even to do away with the need for human persons to work (certainly to work for others, or in order to survive, and in ways that are harmful), are instead, or first and foremost, shaped (along with wants) in ways that serve (not to meet generalised human needs, but) to produce a larger (or to maintain a) surplus, or, given the existing *relational* world order, to create ever more harmful instruments of warfare, spying, people control, and such like (often financed by the State). Within production itself, innovations are in large part devoted to intensifying the various processes as producers endlessly pursue ever more novel ways to ensure they remain competitive in the face of pressures on all to so innovate, with each producer knowing or expecting that others will do so. And so on. In short, it is the social relations under which production occurs and technological 'advances' are shaped and used that (though they are never fully determining of what happens, are themselves always potentially subject to some modification in the light of technological innovations, especially in their less fundamental features, and always require mediation to impact at all) make the difference.

Much of all this turns ultimately on the fact and uses of (the social relational entity that is) money. Just to eat, or to consume in general, means acquiring (items in the relational form of) commodities, where these can be obtained only by paying for them with money. So, most participants are absorbed in the pursuit of money just to carry on existing, that is surviving, as they are. The system thus keeps churning on, with the majority of people caught up in it.

At some level most participants know that carrying on 'as normal' is in many, if not most, situations both harmful to others and leading to planetary disaster, and many offer resistance where they

can. But most, most of the time, are consumed with their own survival and feel impotent anyway in the face of the relational forces that everywhere confront them. So, processes oriented to accumulation and derivatively achieving growth continue endlessly onwards with limited opposition. Meanwhile dominant media outlets are themselves caught up in these same processes with their owners and their agents mostly supposing their own survival (as owners and their agents) are best served through encouraging the view that the pursuit of greed, power and wealth, output and productivity growth, and generally the maintenance of the status *quo*, is somehow good for us all.

## 8. Moving forward

All this is to say that if generalised and responsible human flourishing in our differences is the goal, social relations of the sort that prevail under contemporary conditions must be recognised as significantly incompatible with it. They, many at least, are in large part obstacles to emancipatory advances and warrant being transformed or replaced. This is a simple inference, though obviously achieving the sorts of transformations that are needed will not be easy. But prioritising anything else is short-term amelioration at best, and likely to serve as a distraction. This is the pattern of the past. But for an economics that seeks relevance, to repeat, such issues, and specifically identifying the relational obstacles to generalised responsible flourishing and formulating strategies for transforming or absencing them, ought increasingly to be a focus of study. No doubt, the sorts of questions and issues that come to the fore to be addressed thereby will often be difficult to handle, requiring thinking outside the box. But this is the situation that obtains in all sciences. And as in all other sciences, anticipated difficulties and challenges is not a good reason to give up or to look elsewhere.

Perhaps some concrete suggestions for questions to address are required. One such question is how wants can be shaped and satisfied in ways that are consistent both with meeting real needs and with respecting the biophysical limits of the planet. This question, of course, is being addressed all the time to an extent, but within relations of the noted sort, and with limited success. Another such question I suggest is do we really need money. Personally, I cannot imagine how *either* the conditions of generalised flourishing, *or* simply staying within biophysical limits of the planet, can be achieved in world where money and its pursuit remain the central organising factors. Another is, do we really need the relational entities that are corporations. These are community entities constituted (relationally positioned) as legal persons, that is, are treated in law as having many of the rights and obligations that were intended only for (they stand in the same social relations as) human persons. These allow corporations to get away with creating untold planetary damage, not least through (parent) corporations creating subsidiary corporations, of which they own all their shares, but for which, like human shareholders, they have 'limited liability' when harm is done. (This creates the incentive for parent companies to direct their subsidiaries to act however they wish, knowing that these subsidiaries can be simply wound up when they are in trouble, without the parent company being held to account or even the feasibility of being punished in the manner that human persons can be. [See Lawson, 2019, chapters 3 and 4]). Another is whether the creation of *care* (or '*eudemonic*') *bubbles* or *communities of care* that allow flourishing along one limited set of axes at least (as with some families, refuges, even some study groups, many other support networks, the UK NHS systems as they were when formed etc.), are widely viable, and where they are whether they constitute a step towards (or even sometimes an obstacle to) conditions of generalised responsible flourishing (see e. g., Lawson, 2017, 2019, chapter 8). The most important question of all in my view is how we all can be enabled and encouraged to be ever

more critically aware (not least of the sorts of caring beings we really are, and of the more fundamental relational factors that underpin most harms we produce) and (where feasible and relevant) active. But most controversially of all, perhaps, economists ought to consider the issue of human population growth, and whether it is not the time to conceive of ways of reining it in. I suspect there are already too many people on the planet for all to flourish fully, certainly to do so without simultaneously damaging a multitude of other life forms, and much else. This may not immediately appear to be a relational issue. But it is existing relations that create the conditions (like the need to have a sufficient number of younger workers to generate the means to (re)fund pensioners, or to preserve a system of competition based on a majority serving the few) that lead so many governments of national communities and other commentators endlessly encouraging community participants to further procreate, etc.

## 9. Final comments

As a final comment it warrants stressing that an essential feature of proceeding in a relevant way in an open complexly relational system is that few developments can be planned in much detail in advance. *There can be no blueprint*. The best we can do, normally, is identify, and devise strategies for overcoming, obstacles that lie in the path to a world of generalised responsible flourishing in our differences -- this being a task in part for a relevant economics -- and then to set about continuously removing or appropriately transforming them (including absencing any debilitating absences), thereafter examining the possibilities for greater flourishing that emerge along the way, in a continuous iterative process.

I fear, though, that many economists, even some that present themselves as radical thinkers, are too caught up in their own survival (or promotion ambitions, etc.) in the academy to move in a direction of any relevance. The convenient, often seemingly compulsory, recourse is to stay on the safe and (in truth far too) easy (if seemingly impressive to the non-mathematical) path to nowhere that is economic modelling. Already numerous self-styled heterodox economists of recent years have reverted to it. No doubt new models will be *presented* as different, radical and relevant. But how could they be relevant? If the ontological presuppositions are as wide of the mark as I have suggested, they simply cannot provide novel insight. This of course applies as much to models interpreted as concerned with degrowth, post-growth, steady-state economies, local and regional economies, complexity, general well-being or whatever. The current emphasis on modelling, rather, is one of the obstacles to be transcended if we are to (achieve a discipline capable of contributing to determining ways to) move towards a world of generalised responsible flourishing.

Relatedly, it can also be something of a distraction to devote significant resources to supplementing or even seeking to replace existing economic indicators like GDP by (well-motivated) constructions such as well-being measures, or resource-use measures, *if* all are based on assumptions that are as untenable as those used to fabricate existing aggregate economic measures. For not only is a reliance on them itself a questionable activity (given the manner of their construction), it is likely to further divert attention from factors that really do matter but are very obviously not measurable, including the social relations that govern (render possible and set limits to) all activities.



In any case, do we not all already know simply from everyday observations and experiences that access to the resources of the world is massively unevenly distributed, that most people on the planet are suffering and unnecessarily, that the planet and its climate are being continuously harmed, and the world's resources are continually being wasted? Does producing new 'measures' that allow the creation of novel (sorts of) diagrams and such like really help take us far forward?

What is less well recognised or considered is that the problems we have lie in, or stem from, the very manner, the *kind of way*, in which our economic and other activities are most fundamentally *organised*. In a word, the goal, if we are not to destroy the planet fairly soon, can no longer be (just) an amelioration of events and states of affairs, but deeper-structural, social-relational, that is social-organisational, *transformation*. Fundamentally we ought to be seeking to remove or to appropriately transform those relational structures (largely consisting in harmfully formulated positional rights and obligations) that constitute *obstacles* to a world in which we all (and other species) can flourish in our differences within the limits of the resources available. How we all choose to live as and when, or if, such relational obstacles are removed or appropriately transformed is not something anyone can (or should want) to predict and/or control but can be determined only as we go along.

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