

Oikonomics: towards a new paradigm in economics

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Introduction

A major failing in economics is reducing the study of the “oikonomic process” to “chrematistics” and then, in neoclassical economics, the further reduction to a purely mathematical and model-based approach. Elsewhere I have sketched out the methodological and ideological implications of this choice.¹ But here, the focus will be on what has been left out of our view and how an alternative, historical and phenomenological approach to economics as *oikonomics* may look like. I begin by setting out aspects of the reduction and key terms before exploring oikonomy in a broader sense drawing on the work of Karl Polanyi. By doing so, I recover the original meaning given to the word *oikonomy* by ancient Greek philosophy, notably Aristotle, which has been lost within modern economics. This is, as I will further argue in this chapter, a work that is desperately needed if we wish to recover a real-world, historical and ecological perspective of the economic process beyond the ideological defence of free markets by neoliberal economists under the disguise of science. As argued here, post-neoliberal oikonomics has to be grounded on a much broader understanding of the oikonomic process, which does not isolate the oikonomy from the historical, social, cultural and political dynamics, nor separates oikonomy from ecology, humans from Nature. Moreover, it has to be grounded on a deeper understanding of the meaning and nature of freedom itself.

How it all started

When Adam Smith wrote his *An Inquiry into the Causes and Origin of the Wealth of Nations*, he clearly defined wealth in use-value terms. Defining use-value as “the utility of a particular object”, he went on to argue that “every man is rich or poor according to the degree in which he can afford to enjoy the necessaries, conveniencies, and amusements of human life.”² By doing so, Smith followed Aristotle, who, already nearly two thousand years earlier in his *Politics*,³ made a crucial distinction between what was then called the *oikonomy*⁴ (considered

¹ See particularly Stahel (2020a), op. cit., part one, pp. 33-136; Stahel, Andri W. (2020b). *Is economics a science?* In *real-world economics review* (94), 9 December, pp. 61-82, <http://www.paecon.net/PAERReview/issue94/Stahel94.pdf> and Stahel, Andri W. (Forthcoming). *About the practice of economists and theologians: has economics become a new theology?*

² Smith, Adam (1776/1937). *An Inquiry into the Nature and Causes of The Wealth of Nations*. New York: Random House Smith (1937), p. 30.

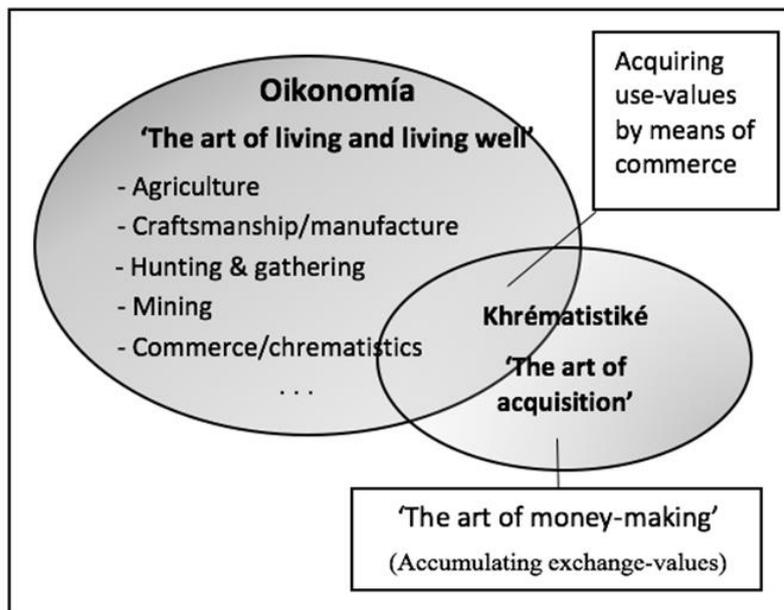
³ Aristotle (1999). *Politics*. Kitchener Ontario: Batoche Books. Particularly in parts III, IV and VIII to XI.

⁴ The etymology of the word is now clearly established, reaching back to the Greek word οἰκονόμος/oikonomos (i.e. “household management”, a composite word derived from οἶκος/oikos (“house”) and νέμω/nemein (“to manage; distribute”) by way of οἰκονομία/oikonomia. While the original meaning of “Oikonomou” was a home owner (following Aristotle who starts from the family as the smallest oikonomic unit), it evolved to denote someone who was responsible for all resources on the estate, a steward. The first recorded use of the word *economy* in the modern sense can be found in a work composed in a monastery in 1440, meaning the management of resources. Since the proper management of resources would use the minimal amount to reach a given aim, “economy” has also taken on the meaning of frugality: “an economical use of resources”, “to economise” or someone being “economical” in their spending habits. These meanings can be found in our modern standard textbook definition of the economy when economy’s aims are defined as to “maximise utility through the best use

to be “the art of living and living well”) and *chrematistics* (“the art of acquisition”).⁵ The former was concerned with all the ways whereby we humans produce, distribute and consume wealth. It included different activities like mining, fishing, farming, manufacturing and even warfare and slavery. Thus, the oikonomy was defined by what was done, not by how it was done. Indeed, chrematistics or commerce was seen as constituting one of its tools, as were others. Aristotle even went as far as considering that whence acquisition is not ultimately subordinated to fulfil a human need by obtaining a use-value we love more in exchange for others we value less, it has to be considered external to the broader oikonomy. Thus, he believed that there was one kind of chrematistics that pertained to the oikonomy and another which did not. The former was subordinated to the use-value logic. The latter was solely concerned with accumulating more money and exchange-values, which the Greeks considered constituting the “art of getting rich” but not the “art of living and living well”, (Figure 1).

We may better understand this if we look at the central distinction in Aristotle’s philosophy between primary and secondary functions or uses of something. While use-value refers to the primary function and precedes exchange-value, the latter represents a secondary use of something, being just a means-to-an-end. As is known, use-values may exist independently of having an exchange-value. Indeed, most use-values central to sustaining our lives and well-being are of that kind: the air we breathe, the climate stability we enjoy, the myriad of environmental services supporting our lives, and our social relations. They all attend to numerous fundamental needs without necessarily – and mostly so – having to be paid for.

Figure 1. Aristotle’s definition of oikonomy



of available scarce resources”. Or, in more simple terms, how to live as best as possible given the limited available resources we have at hand.

⁵ From the Greek χρηματιστική/krematistiké. According to Thales of Miletus, chrematistics is “the art of getting rich”. It derives from the Greek χρῆμα/chrēma for money (but also meaning “thing” or even denoting “needed things”) as well as χρήματα/chrīmata, acquiring wealth, still used for money and funds, as in χρηματοδοτώ/chrīmatodotó for finance in modern Greek. Thus, it is clearly concerned with money and market relations, akin to modern economics which, therefore, should more properly be termed “chrematistics” instead of economics.

The problem, as Aristotle saw it, is to mistake the means for the ends. As he observed,

“when once the use of coin had been discovered, out of the barter of necessary articles arose the art of wealth-getting, namely retail trade; which was at first probably a simple matter, but became more complicated as soon as men learned by experience whence and by what exchanges the greatest profit might be made.”⁶

From this misconception, as Aristotle warned, people could end up taking accumulating money for the oikonomy instead as a means.

“Hence men seek after a better notion of riches and of the art of getting wealth than the mere acquisition of coin, and they are right. For natural riches and the natural art of wealth-getting are a different thing; in their true form they are part of the management of a household; whereas retail trade is the art of producing wealth, not in every way, but by exchange. (...) The source of the confusion is the near connection between the two kinds of wealth-getting (...). Hence some persons are led to believe that getting wealth is the object of household management, and the whole idea of their lives is that they ought either to increase their money without limit, or at any rate not lose it. The origin of this disposition in men is that they are intent upon living only, and not upon living well (...). Some men turn every quality or art into a means of getting wealth; this they conceive to be the end, and to the promotion of the end they think all things must contribute.

Thus, then, we have considered the art of wealth-getting which is unnecessary, and why men want it; and also the necessary art of wealth-getting, which we have seen to be different from the other, and to be a natural part of the art of managing household (...) not, however, like the former kind, unlimited, but having a limit.”⁷

From this quote, we can see that for Aristotle, as for the ancient Greeks, the word oikonomy found its meaning and purpose in the (re)production, distribution, and final consumption of wealth as use-values. By contrast, chrematistics, whereby we trade and exchange with others our possessions, if not subordinated in the last instance to help us lead rich and meaningful lives, was not considered part of the overall oikonomy.

Notwithstanding, here Smith, and modern economic science he fathered, departed from Aristotle and indeed the very notion of what the oikonomy is all about. Although he defined “wealth” in qualitatively and relational use-value terms, he rapidly centred his focus on the markets and the measurable dimension of wealth, namely exchange-values. This focus on the quantitative market dimension of the oikonomic process rather than on its qualitative relational dimension was justified by Smith – as it would be by those economists of all colours and orientations who came after him – by arguing that

“when the division of labour has been once thoroughly established, it is but a very small part of man’s wants which the produce of his own labour can

⁶ *Ibid.*, p. 15.

⁷ *Ibid.*, p. 16

supply. He supplies the far greater part of them by exchanging that surplus part of the produce of his own labour, which is over and above his own consumption, for such part of the produce of other men's labour as he has occasion for. Every man thus lives by exchanging, or becomes in some measure a merchant, and the society itself grows to be what is properly a commercial society.”⁸

By taking as the norm a particular historical reality (the establishment of modern commercial societies and capitalism) and by implicitly taking it as the *only* norm, Smith and those who followed him dismissed all other forms of oikonomy in which humans aim to “live and live well” through (re)producing, distributing and consuming the “necessaries, conveniencies, and amusements of human life”. Thereby, in practice, he set out to inquire into the *Origin and Cause of the Exchange-Values of Nations*, more than into their wealth, as the title of his book would suggest.

This reversal is even more striking if we consider that Adam Smith saw no direct correlation between use- and exchange-values. Consequently, in his own view, the former cannot be reduced or subsumed to the latter. That is, following his reasoning, the exchange-values an individual possessed or obtained through becoming “in some measure a merchant” in modern society should not be taken as a measure of his wealth. After all, it was he who put forward what is known as the “water and diamond paradox”, arguing that:

“The things which have the greatest value in use have frequently little or no value in exchange; and on the contrary, those which have the greatest value in exchange have frequently little or no value in use. Nothing is more useful than water: but it will purchase scarce any thing; scarce any thing can be had in exchange for it. A diamond, on the contrary, has scarce any value in use; but a very great quantity of other goods may frequently be had in exchange for it.”⁹

He could undoubtedly have extended these examples to a myriad of other freely available use-values, like the fresh air he breathed continuously to stay alive, the stable climate he lived in, the social and familiar networks that sustained him or even the academic relations and friendships that nurtured both his emotional and intellectual needs, and his professional career and the related incomes he obtained from it. The same can be said for all these use-values self-produced by him, gifted to him, redistributed to him by state policy or according to his academic positions. They were indeed not just a “small part” of the “necessaries, conveniencies and amusements” sustaining his life and well-being.

Nonetheless, it was immediately after defining “wealth” in use-value terms and stating his paradox that Smith set out the nature of his undertaking: “to investigate the principles which regulate the exchangeable value of commodities”.¹⁰ In this way, he restricted his inquiry to chrematistics instead of the whole of the oikonomic process. Thus, giving up any coherent attempt to examine the origins and causes of wealth as such. What is even more striking is that no one has seemed to notice this inconsistency. At least not the economists and modern industrial society, immersed as we have become in accumulating exchange-values and

⁸ Smith, op. cit., p. 22.

⁹ Ibid., p. 28.

¹⁰ Ibid., p. 28.

following the chrematistic “art of getting rich” instead of “the art of living and living well”. No one seems to have noticed that what we call *economics* nowadays should more appropriately be called *chrematistics*. However profound and far-reaching the implications of this departure have been.

First of all, looking solely at exchange-values, we came to confound “goods” with “bads”. Exchange-values related to positive use-values with those related to negative ones like when a car crashes on a highway, cancer rates due to higher contamination increase, or rivers and waters have to be depolluted. In all these cases, more exchange-values are traded. Still, it does not mean that we are doing better in terms of “enjoying the necessities, conveniences, and amusements of human life”.

Moreover, as ecological economists like to point out, we do not just ignore the, somehow euphemistically, so-called “externalities”, but we have ignored Nature’s contribution to the oikonomic process altogether. Indeed, we miss the physical and ecological fundaments, the *oiko-logos*, on which any proper “house management”, *oiko-nomos*, must be grounded. By not paying for the so-called ecosystem’s services and natural resources freely obtained from Nature, it simply disappears from the economist’s field of vision. By looking only at the monetary, market-related dimension of the oikonomic process, we ignore that the free and balanced functioning of ecosystems and our biosphere as a whole are the primary sources of wealth in use-value terms sustaining our lives and our well-being. We forget that there cannot be any economy, indeed any human life, without ecology. We ignore, as well, the broader human ecology and all these individual and social processes whereby we humans (re)produce, distribute and consume wealth and riches without passing through the markets. Although not having been traded, all those use-values represent a critical aspect of our wealth and how our lives and well-being are reproduced.

Simultaneously, focusing on exchange-values and monetary prices allowed modern economics to consider only the economic process’s quantitative dimension. While use-values are relational and differing qualities are of their essence, exchange-values refer to a quantitative relation between objects. Thereby, by considering prices and quantitative exchange relations solely, economics could be established at the image and resemblance of Newton’s mechanics: centred on abstract, simplified models of reality, and the establishment of linear quantifiable causal relations between variables. This process already started with the British Political Economy, with Smith and Ricardo’s arguments based not on actual historical observation but logical arguments applied to abstract models of reality instead. But it went on to be adopted by Marx and Marxist economists too.

What is the oikonomy all about?

Had economists taken an empirical and phenomenological approach to the oikonomic process and looked at it as what it is, a historical, ever-changing creative process instead of searching for “universal laws” and regularities, they would have noticed, as Aristotle already knew, that the “origin and causes of wealth” go much beyond prices and quantitative relations in the markets. That development, as Schumpeter argued, is an irreversible “creative-destruction” process that is not akin to the movement of passive bodies as those studied by Newton. Moreover, they would have realized, as argued by the historical school in economics, also known as the *Prussian School*, still hegemonic in the German academy and elsewhere

when the neoclassic approach emerged, that history is the key source of knowledge about human actions and oikonomic matters.

Economists would have better understood Wilhelm Dilthey's hermeneutic and phenomenological approach,¹¹ firmly rejecting applying a methodology formed exclusively from the natural sciences (*Naturwissenschaften*) to the human sciences (*Geisteswissenschaften*). While the former is centred on explaining natural phenomena subjected to unvarying natural laws, the latter has to deal with life's creative manifestation and historical change. While within the natural sciences we seek to *explain* phenomena in terms of observable cause and effect, which repeats itself universally in space and time, in the human sciences, we strive to *understand* them in terms of the relations of the part and the whole, as a living, changing reality. Thus, according to Dilthey, a distinctively hermeneutic and phenomenological approach must be applied to understand the *Geisteswissenschaften* (or "spiritual sciences"). The oikonomic process, of course, enters into this category. It constitutes a complex, multidimensional creative historical process, which cannot adequately be approached by reducing our focus to some artificially isolated variables, assuming everything else as unchanging and external to the model by supposing the *ceteris paribus* assumption.¹² As done by all other social sciences – and, indeed, any life-science dealing with creative, irreversible qualitative changes like biology, ecology or even, to some extent, thermodynamics – economics should be approached from a hermeneutic and phenomenological perspective. It is a permanently changing whole in which ecological, social, cultural, political and individual dynamics converge and affect each other reciprocally. Thus, complexity, feedback loops, novelty and the emergence of new contexts and realities characterise the oikonomic process, not unchanging universal laws.

Had the economists looked at historical reality instead of their abstract imaginary models, they would have realized, as Karl Polanyi, a late representative of the historical school did, that chrematistics, producing use-values for the markets and buying and selling them there, is just one among other ways we humans pursue our oikonomic aims. As he argued, human oikonomic systems have existed throughout history in varying historically and geographically specific nuances, although invariably combining four primary oikonomic forms: self-sufficiency, reciprocity, redistribution and commerce. We may add to this list a fifth form of oikonomic practice and behaviour, not mentioned by Polanyi, which also played an essential role in human oikonomic behaviour and practices: namely, plunder. That is, forced acquisition.

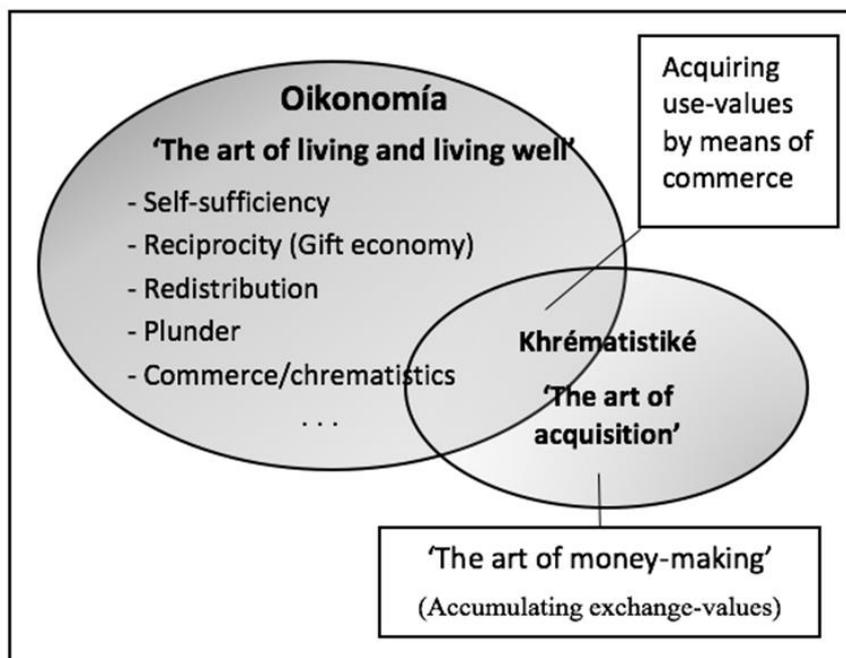
Acknowledging that, we may propose a new schematic representation of the oikonomic process (Figure 2). It shows the five primary forms whereby, throughout history and still nowadays, we humans produce, distribute, and consume wealth to sustain our lives and well-being. In this representation, we encompass what already Aristotle saw as constituting the oikonomic process. Of course, it should be the appropriate study field of economics if economists seriously aim to understand *the Cause and Origins of Wealth* in the real world. Or, as stated in modern economics textbooks, "*how humans use scarce resources to meet their needs.*" Even for neoclassic economics, had they been truthful to their economics

¹¹ Dilthey, Wilhelm (1989). *Introduction to the Human Sciences – Selected Works Vol. 1* (Edited by Rudolf A. Makkreel and Frithjof Rodi). Princeton: Princeton University Press.

¹² The nature of this phenomenological approach to the oikonomic process is explained more in length in Stahel (2020a), *op. cit.*, chapter 1.5, pp. 141-168. The methodological and epistemological implications of the use and abuse of the *ceteris paribus* assumption in economics can be found there too, part one pp. 34-141 and Stahel (2020b), *op. cit.*

definition, market-centred oikonomy is far from being the only one out there. As Alfred Marshall, another of the founding pillars of the neoclassic approach defined it: “political economy or economics is a study of mankind in the ordinary business of life; it examines that part of individual and social action which is most closely connected with the attainment and with the use of the material requisites of well-being.”¹³ Are self-sufficiency, reciprocity, redistribution and even plunder not “individual and social actions closely connected with the attainment of well-being”?

Figure 2. The five basic forms of oikonomy



1. Self sufficiency

Of the five fundamental forms of oikonomy, producing for our own consumption is the most basic one. It is the primary form whereby humans, like other living beings, provide for their needs. As the biologists Maturana and Varela defined it, life itself is an *autopoietic*, self-(re)producing process. At a fundamental level, therefore, we shall find self-sufficiency at work at the basis of all oikonomic activities and forms of behaviour. People self-sufficiently provide for a myriad of use-values or satisfiers, which may later be self-consumed, sold, gifted or redistributed; or else taken by others forcefully.

The essential requirement for self-sufficiency is freedom, having the autonomy to do so, coupled with the ability or capacity to do it. In the 1980s, Amartya Sen developed what became known as the “capability approach”. The idea that according to each one’s capabilities and potential, freedom of choice and thus the possibility of manifesting it is of central importance to a person’s quality of life. Once an individual or, for this purpose, a small group possesses the means to produce, they can self-sufficiently provide for their self-

¹³ Marshall, Alfred (1890/1961 Ninth edition). *Principles of Economics*. London: MacMillan, p.1. A definition which reverberated through the profession, as when Samuelson in his classic textbook directing the gaze of legions of students for decades used as one of his definitions “the study of how mankind goes about the business of organizing its consumption and production activities”. Samuelson, Paul A. (1973). *Economics*. New York: McGraw Hill, p. 3.

consumption. Whether wealth thus produced is then self-consumed, gifted, redistributed or simply taken by someone else is secondary, not a primary aspect.

The so-called *Schrebergarten* in Germany and elsewhere are an excellent example of it. Nowadays, around nine-hundred-sixty-thousand allotment gardens or “small gardens” (*Kleingarten*) exist in Germany alone, occupying 46,000 hectares.¹⁴ These small gardens, found in many cities, are the inheritors of a movement that started in the early XIX Century. At that time, the strong migration from the rural areas to the growing industrial urban centres meant that they were an important food source for the many impoverished families. Among others, they ended up playing an essential role in providing food during the two World Wars. Nowadays, food security no longer being the biggest concern, they still play a significant social, cultural, environmental and economic role in these countries. They also illustrate how, by self-organizing and autonomously pursuing our oikonomic aims, people act in holistic, integral and organic ways, trying to satisfy and balance a series of different needs simultaneously. Thus, it is not just a linear, singular calculus assumed by economists but also a multidimensional intuitive, changing dance whereby different needs are looked after simultaneously. Autonomy, leisure, understanding, participation and identity are just some of the needs self-sufficiently attended by the garden activities and care.

In the 1970s and the 1980s, André Gorz, born Gerhart Hirsh and known by his pen names Gérard Horst and Miquel Bosquet, an early defender of basic income, made an important distinction between autonomous and heteronomous work. The former is all those labour activities we do out of our free initiative and will. The latter is related to work done on behalf of others like slave or wage-labour, following external design and aims. The old English *travail* for labour, which still is used in Latin languages (Portuguese *trabalho*, Spanish *trabajo* and French *travail*) has its origin in a Roman torture instrument, the *tripalium* (derived from the Latin roots, *tri-* and *pālus* – literally, “three stakes”). Its use to designate heteronomous labour reflects how labour is perceived in our modern world: a burden and something imposed from the outside, attending an external need and not respecting and according to our inner requirements. By contrast, autonomous labour has an entirely different feeling, following a multidimensional logic and not just the exchange-value one, maximizing chrematistic profits. That is something everyone who pursues a productive activity out of hobby experiences and knows.

Although the formal spaces for self-production are not as prevalent as they could be had we the personal and collective will to do so, still essential parts of our oikonomic life are based on and regulated by self-sufficiency. Thus, for example, we self-educate ourselves and our children beyond institutionalised education in the same way that we may take care of our health beyond public or private social security and health institutions. By walking, we self-sufficiently provide for our mobility, and by hanging around with a friend, we self-sufficiently provide for our fundamental needs of affection, participation, identity and leisure. Indeed, there is a vast amount of non-waged labour thanks to which we self-sufficiently provide for our needs.

Simultaneously, this capacity to self-produce is often used to increase profits and is, thus, subordinated to the exchange-value logic, being colonized by chrematistics. As Ivan Illich

¹⁴ <https://www.bbsr.bund.de/BBSR/DE/forschung/programme/refo/staedtebau/2017/kleingarten/03-ergebnisse.html?nn=1659390>

pointed out, while focusing on wage labour and dismissing other forms of unpaid, self-sufficient forms of production:

“one completely overlooked the fact that the commodities made by wage labor required further labor to make them into *useful* things. Commodities, purchased and brought into the family through the expenditure of wages, required more and more programmed and predetermined inputs in order to become something useful. And these forms of labor became mandatory. (...)

The availability of unpaid labor that would add to the product the amount of human activity necessary to make it useful was the only reason why wage labor could be paid in the first place. I called this unpaid contribution shadow work, and I pointed out that, due to the polarization of social sex characteristics in the nineteenth century, it was initially more incumbent on women than on men. It now touches also men more and more.”¹⁵

Nowadays, this use of shadow work is central to the so-called IKEA model whereby “do it yourself” is added to the commodity’s (re)production process. Moreover, with modern information tools like personal computers, smartphones, and the Internet, individuals are increasingly called upon to add their labour already at the production stage, providing services previously provided by the producer. Indeed, through internet banking, online shopping, ATMs and bar-code reading devices at malls, stores and airports, companies manage increasingly to outsource previously paid labour directly to consumers who, consequently, self-produce a vital part of the product they are buying.

Nonetheless, as Illich pointed out, this kind of self-sufficient production as something mandatory and ordered by companies’ chrematistic logic providing for these services and products cannot be seen as self-sufficiency in its pure form. It is not a free, autonomous activity performed self-sufficiently by the individual; but rather a heteronomous activity outsourced to consumers. It, therefore, represents the subordination of self-sufficiency itself to chrematistic logic in that outsourcing of paid to unpaid labour becomes an integral part of the chrematistic “art of getting rich”, on which companies like IKEA, low-cost air carriers and indeed contemporary information-centred capitalism thrive.

Simultaneously, it affects personal wealth according to the different individuals and groups capacity to autonomously provide for their needs. For example, while older generations may struggle to get by in our increasingly digitalised world, the millennial native digitals access plenty of their satisfiers by using what we refer to as “new technologies”. Therefore, a wealth inequality gap in terms of self-sufficiency exists between generations and people due to the ever-growing “digital gap” – some managing to provide more efficiently and entirely to themselves in our digitalized world than others.

Standard economists simply do not consider this kind of production relevant, following Smith, who defined “productive labour” or just “labour” as only those market-oriented activities and not all those use-value producing ones. Moreover, they ignore that even in our modern market economies, the “causes and origin” of our wealth and riches are defined not only by our earnings but also (and perhaps even more fundamentally so) by our capacity to self-

¹⁵ Illich, Ivan and Cayley, David (1992). *Ivan Illich in Conversation*. Concord: House of Anansi Press Limited, pp. 155 and 156 respectively.

sufficiently provide for ourselves, amidst other non-market-based ways whereby wealth is produced, distributed and consumed.

Thereby, by looking solely at monetary income, the real wealth of individuals and countries is misrepresented. Particularly when considering traditional societies, where self-sufficiency and gift are sometimes the main oikonomic motives. This is a kind of myopia that starts with the very definition of wealth and what the oikonomy is all about in economics and has become central to the Post-War development era. It affects NGOs, development practitioners, international agencies, governments and people of all colours alike. As Wolfgang Sachs graphically put it,

“on 20 January 1949, it was President Harry Truman who, in his inauguration speech before Congress, drawing the attention of his audience to conditions in poorer countries, for the first time defined them as ‘underdeveloped areas’. Suddenly, a seemingly indelible concept was established, cramming the immeasurable diversity of the South into one single category – the underdeveloped. (...) An image that the economic societies of the North had labelled themselves was thus negatively projected onto the rest of the world: the degree of civilization in a country is to be indicated by the level of its production. Starting from that premise, Truman conceived the world as an economic arena where nations compete for a better position on the GNP scale. No matter what ideals inspired Kikuyus, Peruvians or Filipinos, Truman recognized them only as stragglers whose historical task was to participate in the development race and catch up with the lead runners. (...)”

Turning the South’s societies into economic competitors required not only the injection of capital and the transfer of technology, but a cultural transformation, for many ‘old ways’ of living turned out to be ‘obstacles to development’. The ideals and mental habits, patterns of work and modes of knowing, webs of loyalty and rules of governance in which the South’s people were steeped were usually at odds with the ethos of an economic society. In the attempt to overcome these barriers to growth, the traditional social fabric was often dissected and reassembled according to the textbook models of macroeconomics. To be sure, ‘development’ had many effects, but one of its most insidious was the dissolution of cultures that were not build around a frenzy of accumulation. (...) Whenever development experts set their sights on a country, they fell victims to a particular myopia: rather than a society that *had* an economy, they saw a society that *was* an economy. As a result, they ended up revamping all kind of institutions, such as work, schools or the law, in the service of productivity, degrading the indigenous style of doing things in the process.”¹⁶

¹⁶ Sachs, Wolfgang (1999). *Planet Dialectics - Explorations in Environment & Development*. London: Zed Books, pp. 28-29, making reference to Harry Truman, *Inaugural address*. In *A Decade of American Foreign Policy*. Washington: US Government Printing Office, 1950, p. 1366. We may note here, that in the context of our discussion, by distinguishing a society that *has* an economy from one that *is* an economy, Sachs is making reference to economy as chrematistics for the latter, instead of the broader definition and view of the oikonomy being proposed here for the former.

2. Reciprocity

Besides self-sufficiency, traditionally, there has always been another fundamental way of distributing and having access to the needed use-values to sustain our lives and well-being, namely reciprocity. Several anthropologists call it the *gift economy*.¹⁷ Here something (a use-value) is given to someone else without any expected immediate retribution. It includes intangible gifts like politeness, hospitality, trust, affection, and invitations to participate in rituals, parties and celebrations. But it also encompasses a myriad of material gifts like food, physical shelter, objects and, like in our modern society when we invite people to weddings and feasts, all kind of celebrations and gatherings in which a host may invite people and even strangers. Humans are a social species, something which standard economics ignore by assuming “rational chrematistic behaviour” instead of observing actual human behaviour. Indeed, contrary to the dogma of human essentially selfish behaviour found in economics and the belief that rational economic agents act motivated by purely short-term chrematistic interests, everywhere we can see how people, valuing their social relations, try to attend multiple objectives by their oikonomic behaviour. As Polanyi stated:

“the outstanding discovery of recent historical and anthropological research is that man’s economy, as a rule, is submerged in his social relationships. He does not act so as to safeguard his individual interest in the possession of material goods; he acts to safeguard his social standing, his social claims, his social assets. He values material goods only so far as they serve this end. (...) These interests will be very different in a small hunting or fishing community from those in a vast despotic society, but in either case the economic system will be run on noneconomic motives.”¹⁸

In traditional societies, gifting is a fundamental way whereby the individual’s social standing is asserted. Indeed, in many traditional cultures, accumulation is not well-seen, and people who do so without sharing their riches risk being ostracised. Therefore, instead of accumulating exchange-values, people rather share and gift use-values with those who may profit from them.

Marcel Mauss calls gifting a “total social act”. Cultural values and practices, social bonds and networks, power relations and hierarchies, as well as individual identities are all intrinsic and inseparable parts of the way people give and share their riches with others. A gift creates and enforces a relationship, a social bond between the giver and receiver. Within a gift economy framework, the oikonomic dimension materialises and reinforces social and cultural relations and identities by providing what Manfred Max-Neef called synergetic satisfiers. Like true self-sufficiency, as we saw above, gifts are subjected to a multidimensional logic, and they satisfy different fundamental needs simultaneously. Hospitality, as an example, does not just provide for subsistence and security for the guest, but for affection, identity, participation and understanding, among others, for the guest and the host alike.

In the context of a gift society culture, refusing to give or refusing to accept means denying the bond and, thus, refusing communion. Reciprocity and, therefore, as Polanyi emphasises, the need for an institutional and social symmetry is fundamental to the gift oikonomy’s long-

¹⁷ This became particularly mainstream among anthropologists after Marcel Mauss’s highly influential *Essai sur le don. Forme et raison de l’échange dans les sociétés archaïques*, published in 1923-24.

¹⁸ Polanyi, Karl (1944). *The Great Transformation*. New York: Farrar & Rinehart, p. 46.

term survival. While a given time or geographical distance separates receiving from giving – otherwise, barter rather than true gift-making would be happening – nonetheless, a balance and symmetry in time and space are fundamental to keep the system alive. People give and receive, and, broadly speaking, a balance between these two dimensions must be struck and maintained during their lifetime. Although, at a local level and in given periods of their lives, individuals may be more at the giving or the receiving end of the chain. This is precisely the meaning of the created bond: by giving, richness is handed to the social community, which, one day and perhaps even from another direction, will flow back to the original giver in the form of received gifts. Although no direct barter occurs, globally, in time and space, symmetry tends to balance out giving and receiving at the individual level.

Through gifts, wealth flows from those able to give (and thus may spare what is gifted) to those who may need it. Wealth is thus redistributed, while social relations and bonds are reinforced. Rudolf Steiner, the founder of anthroposophy, considered what he called “the fundamental social law” the most important law for the oikonomic process. According to him, it is a law that applies to the social and oikonomic world as natural laws apply to the natural world. In his words, “the well-being of a community of people working together will be the greater, the less the individual claims for himself the proceeds of his work; that is, the more of these proceeds he makes over to his fellow-workers, and the more his own needs are satisfied, not as the result of his own work but as the result of the work done by others.” Or, said in other terms and pointing to the gifting and receiving dimension of it, “the well-being of a community is greater the more each one gives according to his possibilities and receives according to his needs.”¹⁹

The Fundamental Social Law asserts that which contemporary biology and ecology are repeatedly discovering: symbiosis, cooperation, mutual aid, and a concern for others, benefit society more than self-interested behaviour, competition, and the desire for personal gain. But this is something neoliberal economists ignore. For sure, in the context of our market-dominated oikonomy, in which you cannot rely on your autonomy to produce for yourself, nor the gifting kindness of others, it ends up being a matter of having enough purchasing power and financial independence to get your satisfiers from the markets. Thus, we no longer rely on others to satisfy our needs, often not even our close relatives and friends. Even our modern technology and goods are designed to make us more and more independent from others. Thus, we may easily forget that we are still interdependent. By focusing on the market’s objectified relations, we may easily get the false impression of being independent and not needing others to get by once we possess enough money reserves. But, we still depend on the other’s capacity to provide and willingness to exchange. It is just that the amount of our bank account and the access to our credit card became an intermediate step overshadowing the essential interdependency which nowadays, even more than before, binds us all together due to the increased social division of labour and specialisation. Our well-being still depends on others’ well-being and capacity to provide. We forget that even in the context of chrematistics, the more producers receive according to their needs, the better they can provide according to their full capacity. The more we respect and even promote Nature’s ways and balance, the more vital ecosystem’s services and resources she may deliver. After all, we are interdependent, symbiotic beings.

¹⁹ This quote can be found from various sources. This one is taken from: Seddon, Richard (Editor) (1993). *Selected Writings of Rudolf Steiner*. In Chapter 7 - Reordering of Society: The Fundamental Social Law. Bristol: Rudolf Steiner Press. ISBN: 1 85584 005 7. Essay Source = Anthroposophy, 1927 Vol. II, No.3, “Anthroposophy and the Social Question”, 1919, GA 34.

3. Redistribution

A third fundamental form of oikonomic life is redistribution. Unlike in reciprocity, where a gift is given horizontally, directly by the giver to the receiver, riches are centralised by a higher authority that redistributes them to the community (and themselves), according to usually predefined, fixed rules. Instead of horizontality and symmetry, like the former, it presupposes verticality and hierarchy. From the more individualistic patriarchal structures whereby the patriarch (or matriarch) redistributes to the family group or the clan, up to the ancient empires and feudal systems where the nobility and the clergy concentrated a vital part of the social product later redistributed. It has been central to the 20th-century socialist regimes like the Soviet Union, China or Cuba; and is fundamental to the post-war European Welfare States. If we take countries like France or Finland in which the proportion of government spending to GDP is at over 55% in 2019, it meant that more than half of the yearly expenditures in the oikonomy are done not following the linear maximization calculus of individuals, but according to governments' social and political priorities. Public healthcare, public schools, agricultural subsidies or unemployment payments mean that the monetary resources have been first centralized by the government through taxation to be later redistributed.

Seen from that perspective, the differences between “socialist” and “capitalist” regimes are more a matter of degree and form than content. Both share joint believes in progress and society's advancement through scientific and technological development, a reductionist and objectified perspective on reality and, above all, follow the same aims of industrial and material growth. However, they differ in how these aims, which can be summed up as the modern ideology of progress and industrial development, are best realized. Marx was a firm believer in industrial and technological progress but was wary of the market forces and the capitalists freely following their will, aiming to foster progress through collective planning and redistribution. Therefore, he pointed to the contradiction of those capitalists who praised order, hierarchy and control within the fabric while asking for self-regulation and anarchic freedom in the markets. Thus, following Marx, came the Soviet dream of transforming the whole society into a well-planned and ordered fabric. Not that different from Nazi Germany, despite their political and ideological disputes. In the same line, we can see that the differences between monetarists and Keynesian economics are in degree, not in substance. It is all a matter of deciding how much oikonomic decisions are left to the markets or, instead, to redistribution based on planning and control.

Politics and institutional power relations guide the oikonomic process in redistribution, not the rational economic agent's chrematistic calculus as portrayed by standard economics.

Notwithstanding here, as in the other forms of oikonomic behaviour we have seen so far, this realm has become increasingly colonised and subordinated to the chrematistic logic in our modern free-market society. Thus, for instances, state policy and redistribution policy are subordinated to the need to counter-balance the adverse social and ecological side effects of entirely free markets. Alternatively, it is used as a subsidy to build infrastructures or other ways of supporting private enterprises and industry.

As the Portuguese sociologist João Bernardo noticed,²⁰ decision-power increasingly being left to the markets means that the traditional restricted government (referring to that which we

²⁰ Bernardo, João (1986). *A Autonomia nas Lutas Operárias*. In Bruno, Lúcia and Saccardo, Cleusa (Editors). *Organização Trabalho e Tecnologia*. São Paulo: Atlas, p. 112.

associate with conventional government institutions) is increasingly being overshadowed by what he termed the “amplified state” comprising all those instances with the power of taking decisions affecting the common good related to the markets. As he argued, once private actors grow in number and power, they relate directly to the markets or subordinate traditional political actors to their interests. Thus, increasingly private actors and not elected or nominated officials and representatives become those who take relevant decisions. Thereby, increasingly, local political and administrative institutions manage only to create and manage the market framework in which decisions are taken, while private actors make the relevant choices according to their interests.

Moreover, the more capitals become transregional and transnational, crossing administrative borders, regions and countries start competing to attract investments and money. Thus, they are left to the whims, ebbs and tides of the markets and at the mercy of decisions taken by non-elected financial speculators, direction boards of multinational companies and private actors using their “purchasing power”. Seen from that perspective, neoliberal economists arguing for the supposed benefits of free markets aim to transfer political power from the restricted state to the amplified one.

Notwithstanding, governments are still called to secure the ecological, social, institutional, ideological and technical infrastructures and superstructures required to maintain and enhance the chrematistic efficiency and competitiveness of the local, national and global oikonomies. Thus, a great deal of the produced wealth is either redistributed and reinvested in new transport and information infrastructures, formal education, research, innovation, police and security, or spent as subsidies for rescuing the financial sector and particular companies “too big to fail” from the crisis and the threat of chrematistic breakdown.

The critical point to observe here is that, as Polanyi showed from an empirical and historical perspective, markets have never been entirely free, nor can they without generating grave social, oikonomic and ecological imbalances and destruction. Thus, despite modern economists models’ assumption about free-market and untainted “rational maximizing behaviour”, the reality is that the political and administrative logic behind redistribution is a significant element of the oikonomic process – even for the USA where government spending is around 40% of the total GDP.

4. Commerce

Then, there is the fourth form of oikonomic behaviour identified by Polanyi, namely commerce which, as we saw, the Greeks named chrematistics, “the art of acquisition”. We acquire what we desire more in exchange for what we want less through exchanging goods and services. Reciprocally, the other person who agrees with the transaction receives something he values more in exchange for something he needs less – otherwise, he would have no incentive to make the exchange in the first place. Thus, both parties are seen to engage freely in the exchange process, each with their motives and benefiting from the process in use-value terms. Freedom, horizontality and mutual benefit are thus integral elements of commerce.

Nevertheless, we may go a step further here by considering the nature of true freedom more in-depth. As philosophers and psychologists know, and our legal system acknowledges, freedom has to do with consciousness and capabilities, as shown by Amartya Sen. It is only by being conscious of our inner drives and the available options we may choose in true freedom. Otherwise, we are just being driven by other forces or walking in the dark. Thereby,

although formally free, when behaving in markets out of need under unequal power relations, as it happens in monopoly or monopsony conditions, or when one party is compelled to engage in a commercial transaction with insufficient information, individuals are not acting in true freedom and consciousness. People may, thus, be duped to buy a pig in a poke and be abused due to unequal information and power relations. In that case, we are witnessing acquisition through superior force or merely unequal power relations, more akin to plunder than to free commerce.

Being conscious and having all needed information is, thus, a prerequisite of freedom. But this consciousness implies as well responsibility. Indeed, response-ability refers to our ability to respond. It is, thus, another way to understand freedom. At the same time, by assuming our freedom to choose, we carry as well our responsibilities. As the saying goes, our freedom goes up to the point where the freedom of others begins. Our rights are limited by the other's rights. Freedom, responsibility and consciousness are thus intimately related.

The connection between freedom, consciousness and responsibility is reflected in our legal system when it acknowledges as mitigating factors the lack of deliberate and conscious behaviour. Seen from that perspective, we can say that the selfish, short-term chrematistic profit-oriented behaviour is not entirely free. By looking only at the small, immediate picture, we are not conscious of the profound interdependence which characterises our existence and is at the root of our lives and well-being, thus, not taking decisions that attend to our medium and long term interests. Like King Midas, who given the opportunity to choose a reward, asked for everything he touched being transformed into gold just to see his daughter being changed in a golden statue and his food and wine becoming uneatable exchange-values, we too take exchange-values for wealth, behaving in ways which do not attend our fundamental needs adequately. Although "freely" pursuing our chrematistic aims in the markets, by ignoring the true nature of wealth and the social and ecological character of our oikonomic interdependence, we too may be acting in ignorance of our broader interests and well-being. Indeed, in search of short-term chrematistic profits, we are over-exploiting our natural resources and our fellow humans in a process that generates growing ecological and social imbalances that negatively affect our well-being instead of increasing it. By buying or selling something in a market at an agreed price, we are helping bring forth and validate the world wherein we become what we become with others. Nevertheless, if we do not consider the other's needs in this process, we act irresponsibly. We ignore that our well-being ultimately depends on others' wealth and well-being too. It depends on the maintenance of the social and ecological balances which sustain our lives.

Thus, we could call "enlightened selfishness" free behaviour that acknowledges and respects our own needs and freedoms and responds to others' needs and liberties. It is based not on a short-term, selfish chrematistic accumulation drive but on an empathic connection to our inner life's needs and the life manifesting itself outside. It pursues multiple objectives and unless the assumed behaviour of the selfish "rational economic agent" aims to preserve and enhance the ecological and social balances our lives and our well-being depend on.

An important point to stress here is that following the "fundamental social law" in our chrematistic behaviour by supporting fair-trade, ethical investments and socially and ecologically sound consumption habits are not a matter of morals, but ethical and conscious free-choice. By becoming aware of the interdependent character of life and that we are not separated but part of a more extensive social and ecological network that sustains our lives and well-being, we may become truly free and responsible. By paying producers a fair price

for their products, according to their own needs, we sustain their capacity to continue to produce at the best of their capabilities in future. By supporting entrepreneurs in their undertaking, sharing both risks and rewards, lenders will increase their possibilities to receive the invested risk capital back with interests. Finally, by donating surplus capital to artists, educators, free-thinkers and others to freely follow and manifest their creativity and consciousness, we support them to create and regenerate our culture, increasing our collective cultural heritage and wealth. We just have to ask ourselves about the wealth our cultural and intellectual heritage represents to see how vital free cultural expression is. Leibniz and Newton creating differential calculus, Van Gogh painting or Antoni Gaudi devoting himself to design and build *La Sagrada Familia* cathedral were not following a chrematistic calculus but were following their inspirational callings. But they had to be sustained to do so. Thus, gift, patronage and free artistic, intellectual and cultural creation are essential aspects of “the cause and origin of the wealth of Nations”.

Conversely, if we only look at our short-term chrematistic profit, we may be increasing our bank accounts but are at the same time reducing our well-being by affecting our social and ecological balances negatively, living isolated and solitary lives – each one aiming to get as much as possible for himself and giving as little to the others. As argued elsewhere,²¹ nowhere are the dangers of this myopic mistaking of the chrematistic individual profit as constituting our oikonomic behaviour’s main aim more evident than in the growing financial markets. By speculatively investing in all kinds of assets, thus increasing the financialisation of the oikonomy, excess capital generates all sorts of inflationary bubbles, which expand the monetary wealth of those able to participate in these markets. Notwithstanding, once no new wealth in use-value terms is being generated by simply buying a financial asset to sell it at a monetary profit later, this kind of enriching has to be seen as a net transfer of purchasing power to the already well-off at the expenses of those who struggle to make ends meet. As cancer cells, whose metabolic functions are no longer at the service of the larger organism, increasingly subordinating the whole organism to their growth needs instead, excess capital is increasingly being speculatively invested to “buy cheap and sell at a profit” – further concentrating purchasing power in the hand of those who already possess more than they need and deepening the income distribution.

Aristotle already pointed to the dangers of making a profit on money alone, dissociated from the use-value logic. As he argued, as long as chrematistics is concerned with the “art of living and living well”, it is

“necessary and honourable, while that which consists in exchange is justly censured; for it is unnatural, and a mode by which men gain from one another. The most hated sort, and with the greatest reason, is usury, which makes a gain out of money itself, and not from the natural object of it. For money was intended to be used in exchange, but not to increase at interest. And this term interest, which means birth of money from money, is applied to the breeding of money because the offspring resembles the parent. Wherefore of all modes of getting wealth this is the most unnatural.”²²

²¹ Stahel, Andri W. (2020c). *Why are the rich getting richer while the poor stay poor?* In *Real-World Economics Review* (93), 28 September, pp. 2-17.

<http://www.paecon.net/PAEReview/issue93/Stahel93.pdf>

²² Aristotle, op. cit., p. 17.

Here too, Aristotle foresaw the dangers of financial capital, which, indeed, has become one if not the primary source of chrematistic inequality in our world, with the added drawback of being completely detached from the use-value logic. As with bitcoins who only exist in the virtual world, they have generated substantial monetary fortunes without any new wealth having been created by them. The same happens with artwork and real estate bought for speculative motives alone. It happens with all kinds of financial speculations in markets where new money is continuously being pumped in, creating inflationary bubbles detached from real new wealth. Thus, as for cancer cells, financial growth is sustaining and promoting further growth. A Midas dream come true. But, as Midas did, we ignore our myopic view at our own peril.

Chrematistics is based on the commodity form, its major prerequisite, and thus on the commodification of reality in the sense that things and processes have to be open to being possessed, sold and bought. It means objectification of reality, a separation between the possessing subject and the possessed object. We feel separated from our reality, relating to things alienated from us, sold to or bought from someone else. Humans are not rooted in the land or their home. Thereby, land and real estate are open to being bought and sold according to prices alone. We as subjects may sell our labour as something external to ourselves, carrying out a job or a function without identifying with it or even feeling related to it. Thereby, we are separating our private from our professional life. Being desacralised and losing their special aura that relates given realities and things to particular individuals or communities is a prerequisite of the commodity form and quantitative market equivalence between different qualitative relations. Thus, as Max Weber had already shown, a process of rationalisation from which modern law and institutions emerged had to occur.²³ Reality is analysed “rationally” and objectively, in quantitative and reductionist terms, not according to our tradition, values, and morals. It requires as well the needed rational structural and institutional settings whereby the free act of transaction and private property is protected by law. Notwithstanding, we reduce our consciousness to chrematistic calculus by separating our chrematistic behaviour from our broader values and beliefs. Moreover, as Marx already showed by pointing to the fetishism of the commodity form, we do so in profoundly alienated ways. We are ignoring the social and ecological relations which underlie that which we are trading.

The known slogan “the world is not for sale” is a clear reaction to this process. By acknowledging that certain realities, lands, landscapes, or people are not simply open to being bought and sold but need to be protected, limits to the chrematistic logic are sought. A sacred site, a particular species or a living being are thus attributed and given rights as a subject, for their own rights. These limits to our freedom may be set voluntarily due to an individual ethical choice acknowledging others’ freedom and needs, or it may be imposed from the outside through laws, regulations and prohibitions limiting personal autonomy. But, it needs to be done.

Like a seed sprouting and eventually becoming a tree, life happens as a continuous adaptation to the environment. We become what we are by adapting and restraining our desires to the outer limits and circumstances, in a dance between the inner, autopoietic force

²³ Weber began his studies on rationalisation with his highly influential *The Protestant Ethic and the Spirit of Capitalism* (original German *Die protestantische Ethik und der Geist des Kapitalismus*, first published in 1904/1905), although it is a central theme which pervades his entire work. See also his *Economy and Society* (original German *Wirtschaft und Gesellschaft. Grundriß der verstehenden Soziologie*, first published posthumously in 1922-25).

and our environment. Living beings depend on their relations and the resources obtained from their environment. Thus, living beings thrive best when they manage to simultaneously attend to their inner needs and the balances of their environment and the needs of others on which they depend.

Notwithstanding, these needed limits to the individual short-term-focused chrematistic calculus are wholly ignored by neoliberal economists and their belief in the automatic virtues of the “invisible hand” driving personal greed towards the common good. It is also a requirement of our modern industrial society and the free-market institutional ordering of the oikonomic life. As Polanyi recalled:

“Production is interaction of man and nature; if this process is to be organised through a self-regulating mechanism of barter and exchange, then man and nature must be brought into its orbit; they must be subject to supply and demand, that is, be dealt with as commodities, as goods produced for sale.

Such precisely was the arrangement under a market system. Man under the name of labor, nature under the name of land, were made available for sale; the use of labor could be universally bought and sold at a price called wages, and the use of land could be negotiated for a price called rent. There was a market for labour as well as for land, and supply and demand in either was regulated by the level of wages and rents, respectively; the fiction that labor and land were produced for sale was consistently upheld (...)

But labour and land are no other than the human beings themselves of which every society consists and the natural surroundings in which it exists. To include them in the market mechanism means to subordinate the substance of society itself to the laws of market.”²⁴

The same goes for money, which constitutes the blood circulating within the oikonomic organism, taking nutrients and energy, stimulating growth and regeneration, while eventually irrigating others poorly. It is a fundamental element for keeping markets alive and functioning. Thus, it had to be organised into markets, called financial markets. But it is not a true commodity in the sense of being produced for sale, but something brought into being by political and administrative choice, according to different power relations and interests of the actors affected by its existence and circulation. Nevertheless, in the face of this need for markets for labour, land, natural resources and money, the simple assumption that their supply follows the chrematistic logic and can, thus, be regulated by the “invisible hand” or market forces is simply false and misleading. In Polanyi words:

“The crucial point is this: labor, land, and money are essential elements of industry; they also must be organised in markets; in fact, these markets form an absolutely vital part of the economic system. But labor, land, and money are obviously *not* commodities; the postulate that anything that is bought and sold must have been produced for sale is emphatically untrue in regard to them. (...)

²⁴ Polanyi, op. cit., pp. 130-131 and 71, respectively.

Now (...), to allow the market mechanism to be sole director of the fate of human beings and their natural environment, indeed, even of the amount and use of purchasing power, would result in the demolition of society. For the alleged commodity 'labor power' cannot be shoved about, used indiscriminately, or even left unused, without affecting also the human individual who happens to be the bearer of this peculiar commodity. In disposing of a man's labor power the system would, incidentally, dispose of the physical, psychological, and moral entity 'man' attached to that tag. Robed of the protective covering of cultural institutions, human beings would perish from the effects of social exposure (...). Nature would be reduced to its elements, neighborhoods and landscapes defiled, rivers polluted, military safety jeopardised, the power to produce food and raw materials destroyed. Finally, the market administration of purchasing power would periodically liquidate business enterprise, for shortages and surfeits of money would prove as disastrous to business as floods and droughts in primitive societies."²⁵

Thereby, unless we consciously set limits to our chrematistic behaviour and our "freedom" to buy and sell in markets, empathically respecting hired labourer's and Nature's needs to keep on providing to the best of their capacity, limits have to be set externally. The visible hand of government intervention, directing the invisible, self-organized hand of the markets. The same needs to happen if we do not control the money supply and use our purchasing power in the best interests of all.

5. Plunder

Despite the neoliberal economists' credo and assumptions about free markets, limits and regulations to markets have always existed and still abound. Indeed, oikonomic behaviour becomes predatory in the absence of limits to individual freedom, whether internal or external. Big fishes eat the smaller ones, and those in condition abuse their so-called market position and purchasing power to acquire even more money and power.

This leads us to the fifth basic form of oikonomic behaviour, ignored by modern economics and not considered by Polanyi neither, namely plunder. Through plunder and employing their superior force, people gain their living (or part of it) not by self-production, freely given gifts, redistribution or trade, but by taking for themselves by force. Moreover, while the other forms imply a voluntarily agreed relationship between subjects, plunder involves taking without consent or knowledge. It, therefore, includes all forms whereby individuals or whole groups seek to "live and live well" by seizing use-values not freely given, but acquired by dint of applying their superior force or through deceit.

To a certain extent, plunder may be a dimension or qualification of other oikonomic forms identified by Polanyi. For example, an unequal market relation may lead those in a stronger position to exploit it to get better trade deals. It often happens that within a redistribution framework, those at the top of the hierarchical pyramid end up redistributing a disproportional share of the product for themselves or use their position to gain improper benefits. In a reciprocity framework, someone may profit from taking without reciprocally giving back to the community, creating parasitic rather than symbiotic relationships. Lastly, even producing for

²⁵ Ibid., p. 72.

subsistence, someone may over-exploit and plunder natural resources to make his living without respecting natural cycles and ecological regenerative requirements. In all these examples, plunder is merged with other forms of oikonomic behaviour, grounded on the abuse of unequal power relations and not an independent oikonomic way in itself.

Nevertheless, plunder exists as well as an independent type of oikonomic behaviour. It is a primary oikonomic form, mirroring prey-predator relations in nature. Indeed, it is a central dimension of our chrematistic relationship with Nature. By failing to recognise it as a subject with its rights, we plunder and over-exploit it for our benefit, without giving in return. It is a central element of “wild capitalism” too, where labourers in need are over-exploited, child labour is the norm and labour conditions appalling. It is an important, sometimes central aspect, in previous times, when armies plundered wherever they fought, lands and kingdoms were conquered, pirates sailed the seas and slaves were forced into labour. It is still important today, manifested in all kinds of corrupt criminal activities in which people use their power position to enrich themselves at others’ expenses. It happens with industrial fishing, intensive industrial agriculture and all our extractive over-exploitation of natural resources, plundering Nature for profits. It occurs in the financial markets where insider trading and information asymmetry are used and abused by those in a dominant position to become even more dominant or those like Bernie Madoff to make their fortunes by cheating on others.

Where do we go from here?

Having presented these five primary oikonomic forms that should constitute the inquiry field of oikonomics, it may be essential to note that life is always whole and changing. Thereby, although each one possesses its logic and boundaries, these five primary oikonomic forms cannot be seen as separate, self-contained realities. On the contrary, individual oikonomic activities and oikonomic development constitute the emergent, visible result of different combinations, arrangements and particular modalities and forms of self-sufficiency, reciprocity, redistribution, chrematistic and plunder-dominated oikonomic behaviour. Seen on their own, they have to be seen as “ideal types” or “pure types” in the Weberian sense. Nevertheless, “ideal” is not to be confounded with “average” or related to a quantitative measure. Neither is the term “ideal” to be taken as referring to ideal in the sense of perfection. It relates to the world of ideas, of thought images (German: *Gedankenbilder*). As ideal types, they highlight the essential aspects of a given phenomenon by pointing to their essential elements and patterns: idea-constructs that help provide meaning to the seemingly chaotic diversity perceived by our senses. They allow us to illuminate concrete realities by pointing to some of their underlying dynamics and essential features. In this sense, they may be seen as what Goethe termed the *Urphänomen*, the archetypal phenomenon.

While externally engaging in chrematistic free-market competition, commercial companies are internally organized as redistributive systems. Conversely, public companies may pursue redistributive objectives while including, internally, results-based remuneration policies to stimulate higher productivity and even stimulate meritocratic and competitive internal labour relations. Although there may also be chrematistic considerations behind philanthropic activity – tax exemptions included – the main driving force behind the charitable actions of Carnegie, Rockefeller, Ford, Gates, Buffet, Carter, Clinton or Zuckerberg, is of another nature. Notwithstanding, it shows how excelling in the chrematistic art of acquiring money may be an essential means to acquire wealth to be gifted or donated, reinforcing the donors’ social status and identity within a gift-oikonomy mind setting.

Conversely, to give other examples, social position in Soviet *nomenklatura* was an essential means towards individual wealth accumulation. It is still the case of contemporary China's communist party and Western-style democratic institutions. In all of them, a political career may be pursued for the sake of personal gain, either through more or less corrupt practices or through profiting from the so-called revolving doors between corporate and political establishments.

Thriving and growing GDP and the ability to profit from the global market economy have always been the basis of the modern redistributing welfare state (the European and particularly the Scandinavian models being a case in point). It is central to maintaining and reinforcing centralised power structures and regimes, like the oil-exporting oikonomies of the Middle East or China, where ongoing chrematistic growth has been a significant aspect of legitimising the communist's one-party grip on power.

At the same time, nowadays, governments of all colours, from China to Switzerland, Norway and Saudi Arabia, have become major actors in the global financial markets, speculatively investing their sovereign funds for profit. At the individual level, we pursue our personal goals and try to satisfy our fundamental needs by participating in and combining these five primary oikonomic forms differently according to each individual and each period of our lives. Some needs we meet self-sufficiently, producing the necessary satisfiers for ourselves; others we may receive as gifts; others from redistribution and still others through acquisition, freely engaging in commerce. We may also take by force, pursuing the "art of living and living well" through theft, exploitation of natural resources or our fellow humans. At all times, individual and collective wealth results from the combination of all of them.

In any case, as can be seen from these examples, the oikonomic reality and our human behaviour cannot be reduced to a mathematical formula or adequately represented by abstract reductionist models. It is a changing reality that has to be approached in living, phenomenological terms as a whole. Nor can, contrary to the hegemonic, reductionist view, "the art of living and living well" be assessed and evaluated by simply looking at a person's or nation's chrematistic income or by the monetary value of the possessed assets. It is a process that goes far beyond easily measurable and quantifiable chrematistics. Thereby, the oikonomic process must be understood as an interdependent part of more extensive and ever-changing socio-ecological processes with rules and logic beyond purely chrematistic ones. Social structures and processes, cultural values and dynamics, environmental changes, ecological dynamics, and changing political and institutional power structures are elements that shape the oikonomic process while being transformed and (co)reproduced by it.

In the same way as the functioning of a given organ like the heart or lungs cannot be fully understood if we do not see the way they relate, transform and are transformed by the other organs and the organism as a whole, we cannot understand the oikonomic process as separate from its broader social and ecological contexts. The oikonomy is both the product and the producer of its socio-cultural and natural environment. As for an organism, the oikonomic process is essentially a continuous process of regeneration. Healthy processes leading to a healthy organism, unhealthy to unbalances, crisis and decline.

By sticking to a reduced and misleading perspective on reality in economics, we came to take the parts for the whole and the means for the ends. Moreover, we lost touch with reality by promoting oikonomic development practices at the individual and the collective level, which increasingly put us at odds with the "art of living and living well". Growing social polarization,

chromatistic inequality and ecological imbalances are just some of the visible results of this process and our inability to perceive the true nature of the “origin and cause of wealth”. Thus, enlarging our consciousness and removing economists and modern economics from their ivory towers to look at the real-world oikonomy is not just a matter of scientific interest. It may be a matter, if not of survival, of how we live and wish to live.

As we saw, enlarging our oikonomic consciousness and understanding is a prerequisite to preserving our freedom and autonomy. To perceive that fraternity, not as a moral imperative, but as an ethical choice based on a proper understanding of the nature of wealth and interdependence of life, is at the essence of “the art of living and living well”. By subordinating our oikonomic behaviour to the use-value logic, the satisfaction of present and future generations’ fundamental human needs, and by recognizing that environmental stability and balanced ecosystem’s dynamics are an essential goal of the oiko-nomos, the management of our home, we may rediscover and promote an oikonomy “as if people and life matter”.

By acknowledging the interdependency at the heart of our existence and well-being, we may voluntarily behave in empathic rather than egoistic ways. We may, thus, freely “give each one according to his needs so that each one can give according to his enhanced capacities”. But this requires an utterly different look and understanding of what the oikonomy is all about in the first place. It requires us to enlarge our consciousness, our freedom and our responsibility. The alternative is already here for all to see: growing external regulations and limits to face the growing social, ecological and financial imbalances or deepening social polarization, environmental crisis, and oikonomic inequality resulting from short-sighted abuses and plunder relations.

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