

# Chapter 17

## The Economics of Love: How a Meaningful and Mindful Life Can Promote Allocative Efficiency and Happiness



Felix Fuders and Vanessa Nowak

*Each of you should use whatever gift  
you have received to serve others*  
1. Peter 4:10

**Abstract** This chapter introduces the transcendental law of love for one's neighbor as a paradigm for economics before describing how this new economic model could be applied to enhance well-being. If there was an understanding that the purpose of life was not purely to make money, but to contribute to the common good, we would no longer need competition to force us to offer good products at good prices. We would simply do that by ourselves without any market pressure being necessary. That is to say, if people led a more meaningful and mindful life, a life in which they felt they were making a special contribution to the good of all through the use of their specific talents, we would achieve economic efficiency and, in addition, increase the 'gross national happiness'. This way, we could construct a veritable economy of neighborly love. An economy in which the wish to best serve one another, not market competition, is the principal driver behind the production of good products at good prices. Without stress and fear for economic survival, production would be efficient. People would be happy because they would feel that they made a special contribution to the well-being of all, and in so doing, provided their lives with greater meaning. We outline how such a paradigm shift could be promoted through a monetary reform and through an unconditional basic income.

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## 17.1 Introduction

This chapter introduces the transcendental law of love for one's neighbor as a paradigm for economics before describing how this new economic model could be applied to enhance well-being. If there was an understanding that the purpose of life was not purely to make money, but to contribute to the common good, we would no longer need competition to force us to offer good products at good prices. We would simply do that by ourselves without any market pressure being necessary. That is to say, if people led a more meaningful and mindful life, a life in which they felt they were making a special contribution to the good of all through the use of their specific talents—their 'comparative advantages' in the literal sense of David Ricardo—we would achieve economic efficiency and, in addition, increase the 'gross national happiness'.

While we still assume that our financial system is the main reason for market failure (e.g. Fuders, 2016, 2017) and while we still plead for a reform of our monetary system so that money only operates as a medium of exchange aimed at establishing a market economy that serves people and not vice versa, here we go even a step further: if we combined such a monetary reform with a change of consciousness, we could even shift from a market economy serving people to what might be called 'economics of love' in which people achieve true happiness and self-actualization by serving each other through the use of their individual talents. Such a sea change in thinking would require a great deal of educational work. This educational reform is outlined in Chap. 12 of this book.

## 17.2 Competition Compels Us to Behave as if We Loved One Another

Markets and the concept 'perfect competition' are being increasingly challenged. One plausible driver of this dissatisfaction might be the disparity in wealth observed in many countries (e.g. Bárcena, Cimoli, García-Buchaca, & Pérez, 2018). Also, the destruction of the environment, excessive egoism, individualism, and the so-called 'elbow-society' in which everyone seems to think only of themselves first are associated with competition. A frequent criticism of the competitive economy is that instead of competition, one should rely on cooperation (e.g. Latouche, 2003, 2009; Felber, 2009; Traverso, 2015). Yet, the destruction of the environment and the growing inequality are not caused by the competitive economy, but by our monetary system. In particular, it is the money rate of interest that demands constant economic growth and fuels inequality (Soddy, 1934; Creutz, 1993; Kennedy, 1990,

2011; Lietaer, Arnsperger, Goerner, & Brunnhuber, 2013; Fuders, 2009a, 2009b, 2010, 2016, 2017; Fuders & Max-Neef, 2014a). Individualism, too, is not caused by competition directly, but by a lack of love for one's neighbor, combined with the ability to conveniently store work in the form of monetary units, which our unnatural<sup>1</sup> monetary system makes possible (Fuders, 2017).

### 17.2.1 *Competition Does Not Impede Cooperation*

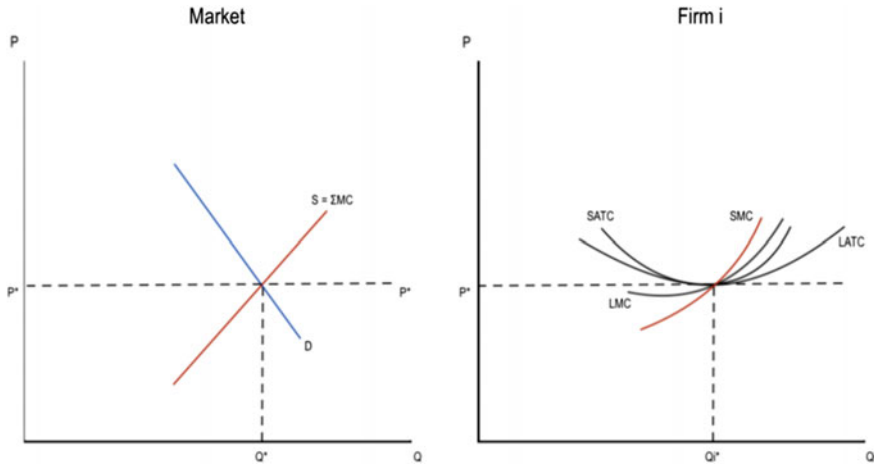
Free market competition does not impede cooperation. On the contrary, any company can be seen as a cooperation between different stakeholders to produce a certain product or service. Also, beneficial companies can cooperate among each other, to a certain extent. However, competition law prohibits cooperation in pricing or other competition parameters. There are good reasons for such restrictions. Not only does price-fixing between competitors limit the freedom of third parties (legal-philosophical justification of competition law—see e.g. Emmerich, 2001; Mestmäcker & Schweitzer, 2004; Fuders, 2011) and decrease efficiency (economic justification of competition law—see e.g. Fuders 2009b, 2011); such agreements (called collusion or cartels) also contradict neighborly love because they serve to bundle market power with the principal aim of selling a product at a higher price, but without any improvement. Price agreements between competitors thus serve to enrich the company owners unjustifiably at the expense of the consumer.

It is not only price agreements between competing companies that contradict the principle of loving one's neighbor, but any type of concerted action with the aim of restricting competition. For the same reason, competition law in many countries also prohibits agreements on advertising or research budgets as well as the division of markets (Fuders, 2009b). Companies that hold a dominant position on their own (monopolies) do not even have to compromise with competitors in order to impose prices on customers that the latter would not pay in a state of perfect competition. This is why, in addition to concerted practices, competition law usually prohibits the abuse of a dominant market position and, in many countries, even allows an *ex ante* control of corporate mergers (Fuders, 2009b). To sum up: 'workable' competition (which is the state as close as we can realistically get to the theoretical concept of 'perfect' competition; Clark, 1940; Kantzenbach, 1966) forces producers to offer the best possible products at the best possible prices, to avoid being pushed out of the market (Fig. 17.1). This should be regarded favorably, as offering good products at good prices is a behavior comparable to charity. In this way, competition causes us to behave as if we loved one another.

To further clarify this, let us examine the following example: The Ibis hotel group promises all customers that if a problem is not resolved within 15 min, the customer will be given a night's stay for free. One might think that such an offer is a realization

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<sup>1</sup>That our money and, in particular, the money rate of interest contradict the laws of nature was already pointed out by Aristotle (1995a, p. 1258b).



**Fig. 17.1** Long-term equilibrium in perfect competition. *Source* own work. Explanation: The market price  $P^*$  is at the lowest possible level (minimum Short-term Average Total Costs curve [SATC] and Long-term Average Total Cost curve [LATC])

of neighborly love. But, most probably, Ibis is compelled to make this offer by the pressure of heavy competition in the hotel market. Here, for the consumer at least, competition is wonderful. It forces us to behave in a way that, for all intents and purposes, represents neighborly love. Of course, it would be better if companies actually behaved like this out of love for their neighbor, i.e. out of eagerness to contribute to the common good and not because competition obliges them to do so. Interestingly, company owners who have realized that earning money is not an end in itself may do so (we come back to this later). For everyone else, there is competition.

### 17.2.2 Competition Limits Our Selfishness

That selfishness, individualism, and the so-called ‘elbow society’ are associated with the competitive economy may also have been reinforced by a questionable, but frequently heard interpretation of a much-cited Adam Smith quote:

(...) and by directing that industry in such a manner as its produce may be of the greatest value, he intends only his own gain; and he is in this, as in many other cases, led by an invisible hand to promote an end which was no part of his intention. Nor is it always the worse for the society that it was no part of it. By pursuing his own interest, he frequently promotes that of the society more effectually than when he really intends to promote it. (Smith, 1952, p. 194)

Often, this statement is misinterpreted as expressing the egoistic, self-interested behavior of market participants, which, being controlled by an ‘invisible hand’, causes the efficient allocation of resources (e.g. Frank, 2008; Common & Stagl,

2008). In fact, the opposite is true: it is despite our selfishness that competition compels us to behave as if we loved one another: to offer the best products at the best prices, in what economists term *allocative efficiency* (in the long-term competitive equilibrium, the price is equal to the minimum point of long-term total average cost curve (LATC in Fig. 17.1), which means there is no less expensive, i.e. more efficient way to produce). It is not selfishness that drives competition. Rather, competition limits our selfishness.

### ***17.2.3 Neighborly Love Would Render Competition Unnecessary***

Selfishness is no virtue, but the opposite of neighborly love and, possibly, the transcendental cause of all evil in the world. As outlined above, competition promotes allocative efficiency even though we are egoists. Whenever the mechanism that compels us to produce the best possible products at the best prices (*allocative efficiency*) does not work, we speak of *market failures*. A monopoly, for example, is a structural market failure and the opposite of so-called perfect competition (e.g. Frank, 2008). While in perfect competition each market player earns exactly the amount that equals the opportunity cost of the production factors invested (i.e. the amount he could have earned elsewhere with his investment in capital, time, diligence, and knowledge), the monopolist can demand prices that are out of all proportion to the cost of production—obtaining a so-called ‘monopoly rent’. Achieving monopoly rents is a selfish behavior. Someone who loves their neighbor will not exploit their market power even if they hold a dominant market position. Instead, they might only set a moderate price relative to production costs. Unfortunately, selfishness is hardly regarded as something reprehensible in economics today, which might, in part, be due to a questionable interpretation of Adam Smith’s ‘invisible hand’. Indeed, the achievement of monopoly rents is even considered desirable for entrepreneurs and makes up essential parts of business strategies (e.g. Stalk, 2004).

In fact, all market failures can be seen as a failure of the mechanism to compel us to behave in a manner consistent with the love-thy-neighbor principle. For example, those who love their neighbor will not collude with competitors to artificially create market power with the objective of imposing prices that the customer would not pay in a state of ‘workable competition’—to use Clark’s famous expression once again. Also, there would be no unfair competition, such as misleading advertising. The three pillars of competition law (the prohibition of the abuse of a dominant position; the ban on concerted actions regarding competition parameters; and unfair competition) would not be necessary if everyone respected and practiced the commandment to love one another. Also, our monetary system, identified as the main (but possibly least recognized) reason for market failure (see Fuders, 2016, 2017) is, in fact, the result of this lack of love for one’s neighbor. This is principally seen in the urge to accumulate monetary units and thus interrupt the economic cycle or ‘blackmail’ an

interest for putting it in circulation (Gesell, 1949, p. 344), “to exploit the scarcity-value of capital” as Keynes (1936, p. 376) put it. If we were not selfish and everyone fully practiced neighborly love, we would not need any competition law and maybe not even a monetary reform to incentivize us to produce the best products at the best prices (on this see Fuders, 2017). This leads us to venture a little utopia: to outline a model of an economy based on the love-your-neighbor principle.<sup>2</sup>

### 17.3 Neighborly Love as New Paradigm for Economics

We have outlined above how genuinely workable competition is to be desired as it forces the market to offer the best possible products at the best possible prices. But we have also acknowledged that it would be of further advantage if we were to offer the best possible products at the best possible prices without the pressure of competition being necessary.

#### 17.3.1 *Finding Our Vocation as True Meaning of Life*

Those who have reflected on the meaning of life might conclude that their true purpose is to promote the common good by practicing neighborly love. For Christians, both the Old Testament and the New Testament state, as the two highest commandments and God’s will, to love God and to love one another (Bible, Leviticus 19:18; Deuteronomy 6:5; Matthew 22:37–22:39; Galatians 5:14). According to Christ, both commandments are equally important (Mathew 22:40). In this chapter, we use the Christian principle of love for one’s neighbor as the basis for building an economy of love. However, the commandment to love one another seems to be the cornerstone of many other religions too (for Islam see Quran, Surah 42:23; for Judaism see Tora, Lev 19,18). There is evidence in psychology showing that prosocial and altruistic behaviors can be cultivated in a secular way (e.g. Condon, 2017).

Love for one’s neighbor translates into treating others as we would like to be treated; not to do onto our neighbor what we would not want to be done on us (Matthew 7:12). One could say that loving our neighbor is the perfect realization of Immanuel Kant’s categorical imperative (Kant, 1868b), which in its best-known version asks us to act only according to that maxim whereby you can, at the same time, will that it should become a universal law. However, neighborly love is not just reserved for helping people in distress, proselytizing, warning people of occult practices, or observing the Ten Commandments, which, in fact, can be seen as a concretization of the wider commandment to love one another. Neighborly love also compels us to make use of our talents for the benefit of the common good. Part of

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<sup>2</sup>The idea of an economy based on neighborly love instead of competition has already been laid down in Fuders (2017).

the realization of neighborly love is therefore also to find our vocation and make it our profession or a life's work, so that we may earn our daily bread with our skills.

Interestingly, the German word for profession is 'Beruf', which derives from 'Berufung', which means vocation. The word 'Berufung' itself contains the word 'Ruf', which means 'call'. The 'Berufung' is God's call for a special service (Kluge, 1989). In the same way, the English expression 'vocation' derives from 'vocatio', which is Latin and means invitation. 'Vocatio' itself contains the expression 'voca' most probably from 'bucca' (latin = mouth); in other words, we are called to serve.

### 17.3.2 *Using Our Vocation Fosters Allocative Efficiency*

A person's vocation is dependent on the individual, as people have different talents. That we should use these talents derives from the commandment to love our neighbor. As part of neighborly love can be regarded the promotion of the common good by bringing in our divine gifts to the community, a point already explained by both Paul (Romans 12: 1–8) and Peter (1 Peter 4:10). Consider, as an example, a conventional factory line: as much as the worker is convinced that he should be thanked for any added value produced, usually the head of a company perceives that he is responsible for such value creation. The inventor, in turn, believes that the company that has bought his patent is profitable thanks to his invention. In fact, all three are wrong. The company owner, the inventor, and the worker are *jointly* involved in the creation of value. Everyone has their place in the world. No one can do without the other. The inventor as a scientist or engineer often is not a good entrepreneur. The entrepreneur cannot produce products without someone putting them together on the production line. The worker on the assembly line might not have the talent to run a business.

In this regard, every human being can be seen as part of the great puzzle of 'love' that may not be fully explored or understood by each individual, but through which everyone can still contribute to by consistently practicing neighborly love through his or her talents. This can be deemed a principal part of the realization of neighborly love, because we help others the most by utilizing the talents we have been endowed with. In economics, this would be described as *allocative efficiency*, the form of the best allocation of resources, or, in the words of Ricardo (1911), the exploitation of 'comparative advantages', which here are our individual talents.

So, when we utilize our talents and gifts to perform the tasks we are best suited to, we will promote the common good in the best way possible. Furthermore, one might argue that we harm our neighbor if we occupy a job position for which we were not actually suited and thus prevent other people from doing this work. Here, to use an expression made famous by Abraham Maslow (Maslow, 2005, p. 173 ff.), another person could reach 'self-actualization' in this role. This could be likened to trying to force a piece of a puzzle into a place it does not belong. This way, we do not only destroy the slice, but also the puzzle will never be whole again since the slice will be missing on the location where it was planned to go by the creator of the puzzle.

In this sense the so-called *Pareto efficiency* will never be reached as long as persons occupy a job in which they do not use their special talents. Pareto efficiency (according to Italian engineer and economist Vilfredo Pareto) is another frequently used definition of efficiency in economics. A society is Pareto efficient if it is impossible to reallocate resources so as to make any individual better off without making at least one individual worse off (Frank, 2008). However, as long as there is just one person in an economy occupying a job in which they do not use their talents effectively, the society cannot be Pareto efficient. The person who holds a job they are not made for improves the well-being of all (including their own) by looking for a job in which they can actually make their special contribution to society. At the same time, the new vacancy gives another person the opportunity to self-actualize and contribute to the common good with their talents.

We can now answer the old and famous question of whether we work to live or live to work. The answer is that we live to work, at least if we agree that we live to contribute to the common good with our talents. Then, work is no punishment but a blessing (Escrivá de Balaguer, 1986). From a Christian perspective, and if we make use of our vocation, this offers us the possibility to help God in his creation, to become co-creators and participate in the divine creativity (Fernández Carvajal, 1987; Escrivá de Balaguer, 2010). Insofar, we can conclude that it is our very duty to use our gifts and talents for the benefit of all and not only as an exercise through which to earn money. We explore this idea more fully below.

### ***17.3.3 Earning Money Is Not an End in Itself***

Does it make a difference which parts of our body we make use of? Is it therefore not true that anyone who does an activity not out of love, but only for the sake of making money, is basically prostituting himself or herself? Of course, we have to earn money, but not as an end in itself. Indeed, even Aristotle (1995a) refused what he called '*chrematistics*' (the earning of money as an end in itself). *Chrematistics* can be seen as the opposite of what Aristotle used to call '*oikonomia*' (the efficient use of the household's resources: Aristotle, 1995a). Even though the term 'economics' finds its origin in the Greek '*oikonomia*', today when we speak of economics we usually refer to what Aristotle describes as '*chrematistics*'.

That earning money should not become an end in itself can actually also be deduced from the teachings of Christ, who encouraged us to do good without expecting something in return (Luke 6:35). This verse has to be read in conjunction with the request to be faithful and not worry about the future. Just as God gave the birds food, He would not allow people to starve (Luke 12:24, Matthew 6:26). This parable is not a call to idleness or to stop working, since the Holy Scripture also teaches us that those who are unwilling to work shall not eat either (2 Thessalonians, 3:10). Rather, it means that when we do our daily work, we do not need to worry about our livelihoods. Hence, this parable could be interpreted as a call to accept a job because



it enables us to make a special contribution to society rather than simply because it pays well.

### ***17.3.4 How to Find Out, What Our Talents Are?***

We should, as explained above, earn our daily bread with an activity that corresponds to our vocation. This is an activity that gives us personal fulfillment and satisfaction—something we love to do. An activity we love is an activity we would undertake without expected financial reward. This is why we can find out what our vocation is by selecting an activity that we would dedicate ourselves to even if we did not get paid in monetary units for it.

Although money is the most common form of remuneration, it is not the only one. For example, a person might be conducting an activity voluntarily, yet joylessly, moved only by the recognition associated with that role. This can be seen as being as superficial as the pursuit of money. This is probably why the best way to answer the question of whether or not we are employing our talents in a certain job is to ask if we would do this work even on the last day of our life, assuming we knew what day this is. The motivation behind any activity that we perform on our last day would certainly not be the pursuit of money or recognition. On the last day of our lives, we will do only activities we love to do, and these are just activities for which we have a special talent. This is because when we feel that what we are doing something very special for the benefit of others, we feel happy. It is precisely serving others with our talents what gives us true pleasure. Indeed, serving others through an activity that someone else might do better is certainly less satisfactory as we do not feel we have given a special contribution to the well-being of others. On our last day of life, we would most probably not be pursuing such an activity.

In this very sense, the founder of Apple Computers Steve Jobs once remarked at a keynote speech at Stanford University that everything in life is about love: “*You’ve got to find what you love, and this is true for your work as it is true for your lovers (...) the only way to be truly satisfied is to do what you believe is great work. And the only way to do great work is to love what you do. If you haven’t found it yet, keep looking*”. In his address, Steve Jobs confessed that since he was 17 years old, he had asked himself every morning that if this day were his last day in his life would he do what he was going to do this day? And when the answer had been ‘no’ in too many days in a row, he said that he then knew he needed to change something (Jobs, 2005).

### ***17.3.5 Neighborly Love Makes Us Truly Happy***

There is no clear correlation between happiness and income. Those countries that achieve the highest marks in the so-called Happy Planet Index (Nef, 2018) are not those considered to be the most developed (Fuders, 2015). Indeed, in economics, a

new discipline has sprung up in recent years: the *Economics of Happiness*. But even if we measured development alternatively from GDP (e.g. by measuring the satisfaction of fundamental human needs; Fuders et al., 2016), it is doubtful that development and happiness would be clearly correlated. At a United Nations conference in 2012 (Wikipedia, 2018b), which debated the ‘Gross National Happiness’, there was a sign with a wise inscription:

If you want happiness...

- for an hour - take a nap
- for a day - go fishing
- for a month - get married
- for a year - inherit a fortune
- for a lifetime - help someone else

This means that, if we truly want long-lasting happiness, we should aim to constantly help and serve others. Here, we do not refer to happiness as the superficial, materialistic joy we feel after having bought new possessions (e.g. a car), but to a deep sense of inner fulfillment that might come from the intuitive knowledge that you are contributing to the divine puzzle—to once again use this metaphor. If we appreciate that the purpose of life is not to make as much money as possible, but to earn money with an activity that we would undertake even without the promise of any monetary gain (and even on the last day of our life), then this will make us truly happy. It will make us happy because we feel that we are making a contribution to the common good. Unlike Aristotle (1995b) in his *Nicomachean Ethics*, we do not consider felicitousness (*eudaimonia*) to be the highest aspirational good. The pursuit of happiness as an end in itself might even be considered as superficial as the pursuit of money or recognition. Rather, true happiness can be considered as compensation for achieving the highest goal: the realization of neighborly love. This can also be derived from the German word for felicitousness (*Glückseligkeit*), in which the words ‘happiness’ (*Glück*) and ‘soul’ (*Seele*) are combined. Felicitousness is the state in which the soul is happy.

Among high-level business managers, it is becoming fashionable to use vacation time to work. Such a person might, for example, work as a farm hand in a traditional small family farm in the Swiss mountains. These ‘working holidays’ involve starting early and a day of hard work. They do this without getting paid; instead, they pay for the experience as a sort of occupational therapy. One might ask, why do not these people do this job all their life? Why are they doing this freely (and even pay for it) as a recreational occupation? One probable reason is that this work gives them the sensation, maybe more than their job as CEO, that they are contributing something truly useful. In fact, the so-called ‘occupational therapy’ is based on just this idea: to develop, recover, or maintain meaningful activities (*occupations*) for people with disabilities or mental health problems, especially depression (Wikipedia, 2018a). Where does their depression come from? Is it really only caused by a disorder of serotonin or other neurotransmitters in the brain of depressive people? And if so,

where does this disorder come from? One aspect of this condition, notwithstanding other drivers, could be that people with depression are lacking a sense of purpose in life. Here, a meaningful occupation might provide the chance to feel they are contributing to society. In the same way, the increasing number of people with *burnout syndrome* (Maslach et al., 2001; Dorsch, 2017) could be due to precisely this. These people do not like their jobs, they intuitively recognize that they are wasting their life, and this makes them less stress-resistant.

### ***17.3.6 Employing Our Talents Fosters Economic Success***

For many, the only reason to work is to earn money and, in so doing, be ‘successful’. Such a rationale fits the concept of the so-called ‘*homo oeconomicus*’. On the other hand, the Economics of Love, as we promote it here, is about serving each other as a way of reaching true and lasting happiness. Although a monetary reward in our model is not an end in itself, we may also be more economically successful if we make use of our talents: a person who uses their talents for a certain task will most likely perform it better than someone who does the same activity reluctantly and only for the sake of gaining money. For example, in the long run, it is foreseeable that someone with a talent for cooking will be more successful as a cook than if he tried to construct machines as a mediocre engineer.

Some readers might now criticize that there are also activities that no one enjoys doing, such as simple, boring activities. We are convinced that—as St. Paul stated (Romans 12: 1–8)—*every* person has gifts, and there are also people who are made to perform simple activities and even prefer to do those because they would be overstrained with other, more sophisticated jobs. Conversely, someone who has a talent for engineering or science will be bored with simple activities that require little concentration. This person will feel that they are wasting their life and will not undertake such an activity with joy and dedication. Instead, they would need to be incentivized with the prospect of earning money. Maybe this person would be so bored by their simple task that they would perform to a lower standard than a person who is less blessed with abilities, but who would do this job with joy, feeling that they are doing something useful and, in that, contributing to a positive development of society. That is to say, even with tasks that many would be reluctant to perform, others might realize ‘self-actualization’ and be economically successful. With simple tasks, one too can make a valuable contribution to the well-being of all. This is why there are no low-category jobs, all are of great importance (Escrivá de Balaguer, 1986, 2004, 2010, 2012). However, we stress here that this is only the case if one was created for this simple activity.

### ***17.3.7 Serving Others with Our Talents to Reach Freedom and Dignity***

Using our talents for the benefit of all, as the fulfillment of neighborly love—and the transcendental meaning of life—might even contribute to the realization of freedom. Freedom, as we learn from Kant, is the state of being unconstrained by other people’s arbitrary choices (Kant, 1868a, 1868b). This also means that the freedom of others should not be limited by our own compelling arbitrariness. That, in turn, means we should not occupy a job other people are better suited for. We can understand that the realization of freedom is connected herewith when we recognize that freedom does not necessarily depend on external circumstances. For example, someone sitting in their office all day may be less exposed to the open air than someone in prison (who might be allowed to do sports in the prison’s yard). However, this person does not necessarily feel imprisoned, at least not if they enjoy and love their job. Instead, they feel that their work is making a valuable contribution to the well-being of all. On the other hand, someone who works the whole day outside, e.g. on a construction site, may feel less free than someone sitting in the office all day if they feel compelled to work in order to survive. The difference between a slave and a free man is that the free man is doing his job out of *free will*, i.e. voluntarily and not only to survive. However, this does not mean that activities in which one uses one’s talents cannot be tedious and exhausting. Certainly, an activity for which one is talented, and for which one also feels they are making a special contribution to society (and that they therefore love to do), is going to be easier than any activity that one does only for the sake of gaining money (Traverso, 2015). Nevertheless, it can still be exhausting. Indeed, this may be the reason why some argue that work dignifies man (Fernández Carvajal, 1987; Escrivá de Balaguer, 2010, 2012).

### ***17.3.8 Serving Others with Our Talents Reduces Individualism***

Recognizing that a meaningful life consists of helping one another by making use of our talents might remedy some of the deplorable characteristics of our current lifestyle. Steadily growing individualism and the ‘elbow society’ create communities in which many only think of themselves and in which they push fellow human beings aside in order to improve their own situation. Yet, this is not a side effect of competition, as some think (Traverso, 2015). Rather, the ‘elbow society’ comes about because people do not realize that their purpose in life should be to promote the common good, instead of accumulating as much, mostly ‘virtual’ (Soddy 1933), wealth as possible. After all, the Bible is true in that we one cannot serve God (who is love: 1 John 4: 8) and money (Matthew 6: 24). When we understand this, selfish behavior becomes contradictory. There would be no people working full-time as speculators or living on interest, as these activities do not contribute to the well-

being of others, but rather exist at the expense of others (Fuders, 2017). It is precisely because most people have not yet come to this deeper understanding of the meaning of life that we need a workable competition that limits our egoism and its related vices.

We can now understand the greed for accumulating monetary units by people who have already earned so much money that they cannot spend their income in a meaningful manner: they do not like their job. It is possible they would not work at all if not for the sake of money. However, their intuition tells them that they are wasting their life. Indeed, because they only work for the money they get, any merit becomes unsatisfactory. No merit in the world can make up for lost time. Making money for those people thus becomes a kind of addiction, where the dosage has to be increased on a regular basis to achieve a short-term feeling of superficial happiness—a small compensation for the feeling of wasting their life.

### ***17.3.9 Serving Others with Our Talents for More Justice***

Using one's talents also helps to make society more just. Plato philosophized on this topic and incorporated it into his theory of justice. He found justice to be righteous when each person performs the service for which his nature is best adapted (Plato, 2011). According to Plato, "to do one's own business and not to be a busybody is justice" (Plato 2011, p. 332 ff.). In fact, one can deduce the obligation to use one's talents (and also the aspect of justice derived thereof) also from the Bible. Here we learn that God is just (Psalm 116: 5) and also that God is love (1 John 4:8). Thus, infringing against the commandment to love one another is a violation of justice. Furthermore, the Holy Scripture teaches us that there is righteousness when one lives in love and keeps God's commandments (Ezekiel 18: 9). As the use of one's talents for the benefit of all can be seen as part of the realization of neighborly love, exercising any activity solely for the sake of monetary gain and not making use of our special abilities and talents becomes a violation of the commandment to love one another and, thus, of justice. In this understanding of justice, and in accordance with Plato (2011), the government of a state should ensure that everyone carries out their tasks according to their abilities and without interfering with the responsibilities of others. In consequence, in addition to a monetary reform, we could consider it a task of the state to introduce an unconditional basic income and teach schoolchildren that earning money is not an end in itself. We will come back to this recommendation later.

### ***17.3.10 Trust Will Rule Over Control***

Mediocrity and, above all, laziness are well-known vices (Fernández Carvajal, 1987). These may come from the fact that many people would only do a job in order to earn

their daily bread and not without financial gain. When they do not love their job and only work for money, they do not undertake it with real dedication and mindfulness. Without supervision, these people do little work or none at all. Such behavior occurs unrelated to pay scale. A good salary alone is hardly likely to motivate an employee to carry out their task more conscientiously if they do not feel joy in the performance of their work. Mediocrity is not found in people who do their work with joy, or is at least much less frequent. For example, we know a particular craftsman who has done all his work to a higher standard than expected. One can depend on him and trust him to the extent that it is not necessary to negotiate prices in advance. With this craftsman one can trust that he will charge a fair amount for any work undertaken. Where does this difference to other workers come from? It is possible to quickly recognize that this craftsman loves his work and the satisfaction that it brings him. He does not only work for the sake of making money. Indeed, he once remarked that positive feedback from his clients is more important to him than any monetary reward.

If all people were to do their work that conscientiously—and above all with love—control would no longer be necessary. The well-used adage “trust is good, but control is better” would be turned upside down. An economy of neighborly love would therefore also be an economy of trust. Incidentally, the aforementioned craftsman is also doing well economically, despite having no higher education. He receives big orders and builds entire houses, because word has spread that he does good work for a fair price. He also makes a happy impression, which confirms what we have already outlined above: the person who carries out their work with love and dedication ultimately also serves themselves through happiness and economic success.

### ***17.3.11 A Completely New Entrepreneurship Would Be Possible***

Business owners who have understood that making money is not an end in itself, and that their job is to contribute to society through their products and services, will behave differently to most other companies. A notable example in Chile is a company that sells “*Late*” mineral water. On the label of the bottle, the buyer is assured that 100% of the profit will be donated to charity. Indeed, the brand name comes from the phrase “late tu corazón” (your heart beats). As explained on the label, this relates to the feeling that the purchaser can expect knowing that their purchase has had a positive impact. The company’s website announces that nearly 1,000,000 euros have been donated to date (Late, 2018). There is real potential for this corporate concept to pioneer a new generation of businesses. The fact that all surpluses are donated does not necessarily mean that the owners work completely free of charge. If the owners pay a fair salary to themselves, i.e. a salary the owner could gain as employee somewhere else with the same talent, time and knowledge invested, they

do not contradict their charitable ambitions (as long as all other surpluses are donated or reinvested).

Could all companies operate in such a fashion? The answer is yes, they could—at least if they acknowledged that the purpose of their existence is to contribute to the well-being of society with their products. Such an entrepreneur would be happy to see people using their products because that is why they made them. If there was a surplus at the end of the year, such an entrepreneur would donate their surpluses and/or raise the salaries of their employees or reduce the prices of their products the following year. This process would truly *create shared value* (Porter & Kramer, 2011).

Of course, such an entrepreneur would not exploit a dominant position were they able to do so, or agree with competitors on prices (i.e. form cartels). Such behavior makes little sense if one sees the purpose of their existence in living and practicing neighborly love. On the contrary, the entrepreneur would endeavor voluntarily—and without competition having to force them to do so—to offer their products at lower rather than higher prices since they desire to contribute to customer well-being. Competition law prohibiting the abuse of a dominant market position, price fixing, and unfair behaviors (the three pillars of perfect competition) would no longer be necessary if all entrepreneurs thought that way. Such a market economy would serve people by allowing them the freedom to serve one another. This would truly be an economy of neighborly love.

## 17.4 Economic Incentives to Promote the Paradigm Shift

### 17.4.1 Reform of Our Monetary System

The change in personal and societal consciousness could be promoted by an educational reform as proposed in Chap. 12 of this book. Yet many of the benefits of such a new consciousness could also be fostered indirectly through a reform of the monetary system. In a monetary system as that proposed by German-Argentine businessman Silvio Gesell 100 years ago, it would be impossible to hoard large sums of money for long periods. Gesell's idea was that money should serve only as a medium of exchange and not as a means to hoard (virtual) wealth (Gesell, 1949). Surpluses would have to be consumed or invested productively. In such a monetary system, it would make less sense to accept a job only on the promise of a high salary. Furthermore, money that loses value if hoarded too long (like many tangible goods) would limit our 'preference for liquidity' (Keynes, 1936). This preference is the urge to preserve material wealth in the form of monetary units. If one cannot hoard huge amounts of money anyway, this will reduce the appeal of a particularly well-paid, but otherwise unattractive, position. Therefore, it encourages people to select a job in which they might earn less money but feel that they are making a special contribution to the well-being of all. That is to say, such a reform of our monetary system

is not only necessary to avoid the many negative side effects inherent in our monetary system (our money system is, in many ways, completely unnatural, forces us to grow and with this to destroy our natural environment and can be seen as a main driver behind the steadily growing income inequality and the regular occurrence of financial and economic crises; see Soddy, 1934; Gesell, 1949; Kennedy 1990, 2011; Creutz, 1993; Fuders, 2009a, 2009b, 2010, 2016, 2017; Fuders et al., 2013; Fuders & Belloy, 2013; Fuders & Max-Neef, 2014a, 2014b) but would also significantly contribute to the establishment of an economy based on neighborly love even if we have not yet realized that this is the purpose of life. Such a monetary reform thus promotes a market economy in which not the accumulation of money, but the desire to contribute to the common good, is the driving force of our actions.

### ***17.4.2 Basic Income Guarantee***

In addition to the monetary reform, a Basic Income Guarantee could serve to promote the shift from an economy that requires competitive pressure to achieve allocative efficiency to an economy of love. The introduction of a basic income guarantee has been discussed since the 1960s (Theobald, 1967; Pechman & Timpane, 1975). Unfortunately, the concept is often misunderstood. For example, in a referendum in Switzerland (2016), the majority voted against the implementation of such a guaranteed income. This rejection may have been partly due to associations with well-known socialistic policies. However, it has little to do with socialism. On the contrary, while excessive socialism has proven to foster idleness and a severely inefficient allocation of resources, the concept of a guaranteed basic income could encourage people to choose a job in which they made use of their talents and, in so doing, improve allocative efficiency.

At this point we do not want to debate about whether or not a governmental basic income guarantee would be fundable. Rather, we would like to point out that, were it to be financially viable, it certainly would have advantages. This is not only because of the benefits of the redistribution of income some might see, but also because it encourages people to pursue an activity commensurate with their talents—even when such an employment shift would incur an initial financial cost. Such a basic income would be paid regardless of assets and other income. The idea is to reduce the jobseeker's fear that the pursuit of their desired profession (that assumedly matches their talents) is financially unviable. If there is a basic income guarantee, a jobseeker might be more willing to pursue an activity where they feel they can make a special contribution to society regardless of initial financial costs. Similar functions also characterize classic unemployment benefit programs, e.g. the German Arbeitslosengeld II (ALG II). Nevertheless, basic income has advantages over the ALG II. For example, if an ALG II beneficiary finds a job, the amount they earn will be deducted from their stipend. Consequently, if they have not yet realized the importance of employing their talents to contribute to the common good, they have little incentive to look for a position that offers less than their ALG II payment.



We suggest this would decrease their probability of discovering the enjoyment of love-based work in a position where they could contribute to the well-being of all.

## 17.5 Summary: Allocative Efficiency Without Competitive Pressure

In this chapter, we stressed that loving one another does not (only) mean occasionally donating money to charity or complying with the Ten Commandments. Rather, neighborly love can be lived through our daily work. The best way for us to contribute to the common good is to use our talents. On the other hand, if we perform an activity that does not correspond to our talents, we diminish our service to the well-being of society. We might even harm others by preventing someone better suited to the position from having the opportunity to self-actualize and contribute to the common good. By understanding that (i) it is important to use our talents and that (ii) the purpose of doing business is not just to make money, we may achieve allocative efficiency without the need for market pressure. Voluntarily, all people would offer the best possible products at the best possible prices. This, in turn, would nullify many of the reasons for market failure.

This way, we could construct a veritable economy of neighborly love. An economy in which the wish to best serve one another, not market competition, is the principal driver behind the production of good products at good prices. Without stress and fear for economic survival, production would be efficient. People would be happy because they would feel that they made a special contribution to the well-being of all, and in so doing, provided their lives with greater meaning. Therefore, if we only engage in the activity in which we make the best use of our talents, we serve our neighbor, the common good, and eventually also ourselves. We have outlined how such a paradigm shift could be promoted through a monetary reform and through an unconditional basic income.

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