Chapter 1
Introduction

Jermo van Nes, Patrick Nullens, and Steven C. van den Heuvel

Abstract Discussing the rise and fall of the anthropological concept of *Homo economicus*, which is still a dominant model in the field of economics, this introductory chapter provides a framework for understanding the contributions in this volume. In response to a white paper in which a complementary model entitled *Homo amans* is proposed, they altogether reflect on the status of the *Homo economicus* model in contemporary economics from a multidisciplinary perspective.

Anno 2020, business is among the most popular fields of study for students in higher education, at least in Europe and the United States.[1] Already in 2013, however, Wharton professor and best-selling author Adam Grant was alerting us that the study of economics was in danger of discouraging prosocial behavior, referring to a number of studies showing that the study of economics was quashing cooperation and generosity.[2] It appears, for instance, that US professors of economics donate less money to charity than their peers in other fields (Frank et al. 1993), and that economics students, in comparison with students from other majors, are more

[1] See https://www.onderwijsincijfers.nl/kengetallen/internationaal/leerlingen-en-studenten/aantallen-ingeschrevenen-in-het-hoger-onderwijs-naar-studierichting-in-europa (accessed 2 July 2021), and https://nces.ed.gov/fastfacts/display.asp?id=37 (accessed 2 July 2021).

[2] Adam Grant, "Does Studying Economics Breed Greed?", Psychology Today, 22 October 2013, https://www.psychologytoday.com/us/blog/give-and-take/201310/does-studying-economics-breed-greed (accessed 2 July 2021).

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willing to deceive for personal gain (Frank and Schulze 2000), more easily rate greed as morally good (Wang et al. 2011), and have less concern for fairness (Marwell and Ames 1981; Carter and Irons 1991). Experiments further demonstrate that altruistic values among economics majors drop over the years (Gandal et al. 2005); that economics students become more selfish during their studies and gradually expect worse of others (Frank et al. 1993); and that just thinking of economics can make people less caring (Molinsky et al. 2012).

One of the reasons for the destructive effects of studying economics in the twenty-first century, as Grant points out, is that certain (neoclassical) economic models still rely on the assumption that every person is essentially a "*Homo economicus*", i.e. a rational being who attempts to maximize his or her utility for both monetary and non-monetary gains. The history of this theoretical construct – a "universal bogey," as Lionel Robbins (1932, p. 90) called it – is complex. While the term *Homo economicus* came into use as late as 1883 (Hengstmengel 2020, p. 177), the idea of economic man can be traced all the way back to Xenophon of Athens (c. 430–355 BCE) as his treatise *Economicus* includes a Socratic dialogue in which Socrates – wisdom personified – helps the economist Kritoboulos to see "that he cannot do good for himself if he is not doing good for the *polis*: his own well-being and that of the *polis* are not separate enterprises" (Wilson and Dickson 2012, p. 16). Accordingly, Wilson and Dickson (2012, p. 22) see the idea of *Homo economicus* foreshadowed in Xenophon's *Economicus* as both are personifications of instrumental activity directed towards ends or values outside themselves.

Joost Hengstmengel (2020, pp. 45–64), however, argues that the idea of *Homo economicus* could never exist in classical Antiquity as true happiness and 'the good life' were connected to immaterial things. At that time, economics was a moral 'science'. It was normative, being allowed to tell how people should act yet realistic about people's capacities. All human economic activity was evaluated in terms of the cardinal virtues of prudence and justice. With the rise of Christianity, the virtue of charity was added. Accordingly, in Antiquity and early Christianity an economics of sufficiency and love were promoted respectively in which self-interest was condemned when it harmed others and did not contribute to the good life of the community as a whole. This "prelapsarian" state of economics, as Hengstmengel (2020, pp. 14–16) calls it, slowly but radically changed during the early modern period (c. 1500–1650) due to three major transitions: (1) communities changed into societies, (2) man changed from a community being into an economic being, and (3) living the good life in terms of a virtuous life changed into the ideal of living a life maximizing one's utility and pleasure. These transitions were encouraged by the emergence of the Renaissance spirit, which exposed man's allegedly 'true nature' to be addictive to power, pleasure, and profit, as well as the rise of political economy as a modern science, which suppressed the normative status of economics as the ties with moral philosophy and religion were slowly cut.

As a result of these important shifts in early Modernity, the sense of community was supplanted by economic individualism as the social and religious stigma attached to self-interest gradually disappeared from political discourse. Inspired by the political writings of Thomas Hobbes (1588–1679), whose social contract theory encouraged that submission to an absolute sovereign was in people's best interest as the sovereign secured protection and property, all sorts of (British) intellectuals ranging from clergymen to politicians in the 'long' eighteenth century (c. 1650–1800) started to promote the social value of self-interest. Some tentatively argued that self-interest is only one of man's inherent drives and is controlled by a natural balance of motives. Others proposed that self-interest constructively organized the movement of human bodies in society. Yet others contended that self-interest brings about a natural division of labor and results in higher collective productivity (Myers 1983). The gradual legitimation of self-interest in this age of Enlightenment is what Hengstmengel (2020, p. 14) calls "the Fall" of economics as self-interest was turned from vice into virtue.

The most important intellectual writer on the (moral) question of how individual self-interest can be a constructive force for the collective welfare in the eighteenth century was the Scottish philosopher Adam Smith (1723–1790), who is generally considered to be the father of modern economics and founder of the classical school of economics. In his most famous studies *The Theory of Moral Sentiments* (1759) and *An Inquiry into the Nature and Causes of the Wealth of Nations* (1776), Smith – standing in a long tradition of virtue ethicists – sought an economic solution to what is in essence a moral question: Can individual self-interest be a constructive force for the collective welfare? Answering in the affirmative, Smith attempted "to reconcile economic and moral behaviour in the emerging system of market capitalism and to quell the anxiety this market gave rise to" (Comyn 2018, p. 29). Acknowledging the complexity of human nature yet arguing that people are predominantly driven by self-love and self-interest, Smith discerned mainly egocentric forces in economics (Hengstmengel 2020, p. 166).

While the term *Homo economicus* was not coined yet by the turn of the nineteenth century, many scholars (e.g. Ridder 1941–1942) see the spirit of free market capitalism as reflected in the writings of Smith as the delivery room of the concept. John Stuart Mill (1806–1873) was among the second generation of classical economists who continued to explain economic behavior by means of self-interest, but consciously abstracted it from other human motives. As Mill (1844, pp. 137–138) notes on the ever-growing science of political economy:

> It does not treat of the whole of man's nature as modified by the social state, nor of the whole conduct of man in society. It is concerned with him solely as a being who desires wealth, and who is capable of judging of the comparative efficacy of means for obtaining that end. It predicts only such of the phenomena of the social state as take place in consequence of the pursuit of wealth. It makes entire abstraction of every other human passion or motive; except those which may be regarded as perpetually antagonizing principles to the desire of wealth, namely, aversion to labour, and desire of the present enjoyment of costly indulgences.

This famous quote implies two important methodological assumptions: (1) economic behavior can be explained solely in terms of people's pursuit of wealth, and (2) economic decisions in terms of ends and means are judged rationally by people. Mill himself was very clear about the hypothetical and imagery character of his anthropology, but insisted on its necessity if political economy wanted to develop into a science of equal status as the natural sciences: "Not that any political economist was ever so absurd as to suppose that mankind are really thus constituted, but because this is the mode in which science must necessarily proceed" (Mill 1844, p. 139).

In response to Mill, Charles Devas (1883, p. 27) was the first to use the term *Homo economicus* in noting that "Mill has only examined the *homo oeconomicus*, or dollar-hunting animal." He abstracted "'economic man', who is under no ethical influences and who pursues pecuniary gain warily and energetically, but mechanically and selfishly" (Marshall 1890, p. vi) and "whose activities are determined solely by the desire of wealth" (Keynes 1891, p. 16). Mill's conceptual 'invention' of *Homo economicus* was by no means adopted by every economist, but it further stimulated economics to develop into a theoretical, deductive, and abstract discipline in which moral philosophy was no longer needed to study the relationship between self-interest and happiness. Accordingly, the traditional virtue ethical concerns were slowly but steadily replaced by the emerging ideal of utilitarianism – to maximize happiness and well-being for all affected individuals. This resulted in a 'positive' form of economics, which was consciously amoral (Hengstmengel 2020, pp. 173–187).

Assuming that agents make consumption choices so as to maximize their happiness or utility, economists like Stanley Jevons, Léon Walras and Carl Menger formalized Mill's ideas into a set of axioms in the late nineteenth century. This "guaranteed the internal coherence of economic assumptions and allowed the use of mathematics to deduce testable implications from those assumptions" (Rodriguez-Sickert 2009, p. 224). The field of study that emerged from this mathematical enquiry is known as rational choice theory, which is particularly associated with the Chicago school of economics. The basic premise of this theory is that the decisions made by individual actors collectively produce aggregate social behaviour. Proponents of rational choice theory also assume that individuals have preferences available and choice alternatives. Advocates of rational choice theory do not (cl)aim to describe the choice process, but rather help predict the outcome and pattern of choice. They consequently assume that the individual is self-interested and comes to a decision that maximizes personal advantage by balancing costs and benefits (Friedman 1953, p. 15). As such, the idea of *Homo economicus* is still very much alive in contemporary economics, at least in this branch of the discipline (e.g. Becker 1976; Jensen and Meckling 1994).

On 6–7 June 2019, the Institute of Leadership and Social Ethics, a research institute of the Evangelische Theologische Faculteit in Leuven, Belgium, organized a symposium in the Peace Palace in The Hague, the Netherlands, to address the importance of reflecting on the status of the *Homo economicus* model in contemporary economics from a multidisciplinary perspective. In order to kindle a constructive dialogue, a discussion paper drawing on anthropological research in the life sciences, social sciences, and humanities was prepared that outlined the contours of what could potentially serve as a refined version of *Homo economicus*, preliminarily entitled "*Homo amans*" – the human person as a loving being. A number of keynote speakers and respondents working in various academic disciplines were invited to interact with this paper. Most of the contributions in this volume were presented during the symposium; others were written later, by invitation. As a result, some of the essays do not directly engage with the discussion paper but reflect on relevant themes evoked by it; others dialogue directly with some of the ideas presented in the discussion paper; and there are some that interact with someone else's paper.

In the second chapter, Patrick Nullens and Jermo van Nes open the discussion by addressing the problem that overall human flourishing is hindered by the ongoing dominance of the *Homo economicus* paradigm in contemporary economics. They believe the *Homo economicus* paradigm overemphasizes people's rational capabilities at the cost of their relational qualities. By way of suggestion, Nullens and Van Nes develop the contours of the holistic concept of *Homo amans* as phenomenologically constituted by the virtues of faith, hope, and love, since multidisciplinary study has shown that human persons are searching, expecting, and relational beings. They also suggest that people are able to search for meaning, project their longings into the future, and relate meaningfully to others by means of their ability to trust.

The contributions by Dennis Krebs and James Beauregard in Chaps. 3 and 4 respectively support the overall idea of *Homo amans*. Rejecting the common claim that evolutionary theory implies that all animals are selfish by nature, Krebs argues that social animals can propagate their selfish genes in psychologically unselfish ways. As such, the central function of morality is to uphold adaptive systems of cooperation. Throughout human history, as Krebs explains, primitive psychological sources of moral behavior such as perspective-taking and moral reasoning have helped the human species to evolve. From a personalist perspective, James Beauregard offers a robust anthropological vision which presents the human person as a dynamic unity – active, and capable of learning, and living the virtues of faith, hope, and love. He also believes that neuroscience can inform the *Homo amans* model, but warns about its conceptual limitations.

In Chaps. 5, 6 and 7, contributors (in)directly engage with the argument of the discussion paper. Deirdre McCloskey argues for the connection between free will in Abrahamic theologies and free action in liberal ideologies. In God's eyes, she insists, a free-willed person should be free from human interference in religion as well as behavior and business. This implicitly critiques the *Homo amans* model as living up to the virtues of faith, hope, and love may interfere in people's freedom. Rebekka Klein questions whether the nature of love is truly phenomenologically discussed in its ambivalence. Drawing on Kierkegaard's phenomenology of love, she argues that love cannot be clearly distinguished from selfish acts without reference to an external party. Gerrit Glas sides with the concerns raised by Klein, adding that thinking that science helps in validating and legitimizing a biblically informed concept of love is committing a naturalistic fallacy. In addition, he seriously questions whether academic disciplines by themselves will be able (and should be expected to be able) to transform deeply ingrained, institutionally anchored economic practices. What is needed more, Glas insists, is a change in economic practices themselves, a change that is both personal and comprehensive.

More specifically, the contributions in Chaps. 8, 9 and 10 address the notion of virtue and reflect on the potential of the *Homo amans* model. James Van Slyke focuses on the virtue of love as altruistic concern, arguing on the basis of psychological studies that this type of love uniquely informs the virtue of humility, as it puts people ahead of or before the self. In the context of business, humility is formed through the development of relational values and is best expressed in how superiors show concern for others. Those who value the intrinsic worth of other persons are less likely to express the various vices of pride and will more readily demonstrate humility towards others, as was demonstrated in moral exemplars, such as Holocaust rescuers. Emilio Di Somma focuses on the notion of trust. Using Taylor's concept of "social imaginary", he argues that in order to implement the *Homo amans* model a desire for trust among people and institutions is to be instilled in people first. This takes courage as it requires the affirmation of the objective goodness of virtues such as faith, hope, and love. According to Hendrik Opdebeeck, a paradigm shift from *Homo economicus* to *Homo amans* is not a utopia as long as the models are not considered as rivals. With the right attitudes, as advocated in the *Homo amans* model, a rational economy can turn into a responsible economy, or, in his words, a "u-globia".

Wesley Wildman and Joke van Saane, in Chaps. 11 and 12 respectively, discuss the transformative power of the *Homo amans* concept in economics. Wildman argues that relationality and self-awareness are necessary corrections for the individualism and cognitive error found in contemporary western human self-understanding. He also believes that love as *agape* and *karuna*, and wisdom as knowledge and humility could be two spiritual translations of these corrections. Reflecting on how the envisaged transformation in ideas about human nature could be implemented, Wildman concludes that the anthropological insights of philosophers would be best served by a partnership with education and policy experts. Van Saane agrees with Wildman's analysis concerning the structural failures in human functioning caused by individualism and cognitive errors, but counters that we better acknowledge our individualism and failing cognitions. This creates opportunities for personal leadership, as only individuals are real game changers.

In the final chapter, Patrick Nullens, Jermo van Nes, and Steven van den Heuvel reflect on all the contributions and revisit the discussion paper. As a result, they reply to some of the questions brought up in the overall discussion, including the possible restriction an anthropological model may have on human freedom, the relationship between *Homo economicus* and *Homo amans*, the nature of love, the danger of committing a naturalistic fallacy, and the need for a theory of change. They end the conversation by refining the *Homo amans* model and pointing to new directions of study.

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