

PEOPLE-CENTERED ECONOMICS

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This conference primarily focuses on environmental economics, economics of ecology. My 2009 presentation to this conference was titled "Economics in Transition: The 'Triple-Bottom Line' of financial, social benefit, and environmental benefits. Among three main areas of economics, the financial sphere remains dominant over social economics and environmental economics. The reason for this is very simple: in order for any system of economics to be sustainable over time, it must first be financially sustainable. If a system costs more than it produces, it requires infinite inputs over time. Infinite inputs are not available in a finite world, and we live in a finite world. If we pursue a system that costs more than it produces financially, it must and will necessarily collapse. But now, the financial system itself is broken: it costs far more than it produces.

As I learned from conference participation last year, students are most interested in the underpinnings of how and why we are where we are, now. However, detailing that within the limitations of two pages published in this academic journal is quite impossible. In-depth discussions may, as participants prefer, be undertaken during and after the conference. Links will be available on the P-CED website, as last year, for further and ongoing information and education [1].

People-Centered Economics – A Manifesto

1. The US economy transitioned from hard-asset based (gold, silver) in 1971 to Fed paper notes written solely against the 'good faith and credit' of US citizens.

2. Gold (or silver) is tangible, observable, finite: whatever is on hand, is on hand. That provides a firm, tangible, finite, objective economic anchor. There is no way to create more of it at will. One ton of gold is one ton of gold. Its quantity and value are represented in numbers. Since that time, the US national debt went from near zero to nine trillion dollars in 2008 (~5 trillion in 1996 when these points were first compiled.) That debt is backed by nothing more than paper based on numbers which may or may not even exist.

3. Adam Smith's 'invisible hand' does not mean 'non-existent', nor detached. It means what it says: invisible. That is, not observable.

4. After disconnecting from the gold standard, US economics and capitalism became purely a matter of manipulating numbers. There was no longer a hard, observable, tangible, finite anchor. Numbers are not hard, observable, or tangible, and may not even exist outside the mind of human beings.

5. With US and Western economics and capitalism shifted to manipulation of numbers: are numbers real? That is, do numbers exist independently of the human mind and imagination?

6. Plato claimed numbers exist independently of the human mind, are real, but exist in an ideal, transcendent, unmanifest world. Numbers exist because they are in that ideal world. That ideal world is represented to us by numbers, and by extension, mathematics. Therefore, numbers exist because numbers exist. Circular logic, per his protégé Aristotle.

7. Descartes, mathematician/philosopher, finally got around some fifteen centuries later to further analyzing the questions of what exists, what is real. He went past numbers to the question of whether he himself even existed. He posited that some entity, some manner of consciousness and material world in the form he found himself, must necessarily and logically exist in order to ponder the question to begin with. He concluded "cogito, ergo sum." "I think, therefore I am." Thus demonstrating that he, and by the same argument other humans, have firm evidence that we exist, and are not mere fantasies or cognitive constructs of an Evil Genius imagining all of us, the world, and the manifest universe. Human beings exist. He was not able to reach a similar conclusion about numbers, nor has anyone else, nor is it possible to reach any such conclusion because it is not possible to separate thinking of numbers by a human being from the human being himself or herself without eradicating the human being. In which case, there would be nothing to speak or think further.

[Numbers are assumed by mathematicians to exist in a real sense for the sake of their day-to-day work six days per week, but not on the Sabbath when they feel more obliged to be honest. (reference "The Mathematical Experience", Davis and Hersh, 1981.)]

8. Capitalism based on numbers may or may not be valid, according to whether or not numbers are valid, real, existent, independent of the human mind. Positing them in Plato's ideal realm and begging the question of their existence on that basis was and is null and void.

9. Find a 1, or a 2. Not a symbolic representation of one or two, 1 or 2. Not a quantity of 1 of something, or 2 of something, but an actual 1 or an actual 2, tangible, observable, on their own. Next, find a human being. It is possible to find a human being, one human being or two human beings. It is so far not possible to find a 1 or a 2 in this world. There are no instances in recorded history where either of those have even been located and identified as entities independent of the human mind, nor any other number nor any mathematics nor any equation.

10. Human beings are real.

11. If a) the independent existence of numbers is unknown, and unknowable; b) human beings do exist; then c) any system of human economics based on reality can only be based on human beings.

12. Positing numbers as real entities, and basing economics on that unproved and unprovable hypothesis, risks disposing of real entities (human beings) in favor of imaginary entities (numbers.) The only variable needed for that to happen is unscrupulous human beings.

13. Human-based – that is, people-centered – economics is the only valid measure of economics.
14. Manipulation of numbers, represented by currency/money, allows writing “new” money as needed. There is no tangible asset, or anchor. There are only numbers, managed by whomever might maneuver into position to do so. Economics came to be based on numbers, rather than real human beings.
15. On that basis, capitalism trumped people and therefore trumped democracy. Democracy is about people, who since Descartes are considered necessarily real, rather than numbers which are not necessarily real. An imaginary construct, numbers, rule a real construct, people. That arrangement allows for disposal of real human beings, in the name of the imaginary construct.
16. Capitalism nevertheless remains the most powerful economic system ever devised. The problem is not with the construct. The problem is with the output of the construct, wherein imaginary constructs – numbers, and currencies represented symbolically by numbers – are left to control real human beings to the material benefit of relatively few people and to the exclusion of many others. Classical capitalism has reached equilibrium in this regard. However, and consequently, many and growing numbers of human beings are excluded in the realm of finite resources hoarded by those most adept with manipulating numbers/currencies.
17. This is where we find ourselves at the advent of the third age of human civilization – the Information Age, following from the Agriculture Age and the Industrial Age. We are for the first time in human history in position to take note of where we are and what we are doing to and with each other. Or, not.
18. Modifying the output of capitalism is the only method available to resolving the problem of capitalism where numbers trumped people – at the hands of people trained toward profit represented only by numbers and currencies rather than human beings. Profit rules, people are expendable commodities represented by numbers. The solution, and only solution, is to modify that output, measuring profit in terms of real human beings instead of numbers.
19. We can choose to not reform capitalism, leave human beings to die from deprivation – where we are now – and understand that that puts people in self-defense mode.
20. When in self-defense mode, kill or be killed, there is no civilization at all. It is the law of the jungle, where we started eons ago. In that context, 'terrorism' will likely flourish because it is 'terrorism' only for the haves, not for the have-nots. The have-nots already live in terror, as their existence is threatened by deprivation, and they have the right to fight back any way they can.
21. 'They' will fight back, and do.
22. The Information Age can become the pinnacle of human civilization, the Golden Age. Or, it can become the end of human civilization. We get to decide which way to go, and act accordingly.
23. Dismissing people and consciously leaving them to die is probably not the way to go.
24. Economics, and indeed human civilization, can only be measured and calibrated in terms of human beings. Everything in economics has to be adjusted for people, first, and abandoning the illusory numerical analyses that inevitably put numbers ahead of people, capitalism ahead of democracy, and degradation ahead of compassion.
25. Each of us who have a choice can choose what we want to do to help or not. It is free-will, our choice, as human beings.

Reference

1. Subsequent to the 2010 conference, see <http://www.p-ced.com/1/projects/ukraine/sumy/> for ongoing information.