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TRIGGERING A CHANGE OF THE ECONOMIC PARADIGM

触发经济学范式的转变

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Changing an economic paradigm seems an impossible Herculean task. The focus of the dominant economic model on profit maximization and cost cutting, while favouring a one-sided economic development without any serious regard for the environment, is so entrenched that any move to change it seems so far doomed to fail. In order to adequately address the complex issues related to changing any economic models, the 2020 Symposium of the Macau Ricci Institute at the University of Saint Joseph proceeded as a spiritual conversation: to enhance the ability to listen to each other's different perspectives each participant was required to pick three major points in the papers of the other participants.

In the feedback among the participants a major common point emerged: the importance of education and a proper institutional framework in order to bring about the desired change of paradigm. Related to three major dimensions—namely, the *humanistic*, *the economic and the legal* track—I would briefly delineate a few key important points that served as a reference to the “Macau Manifesto,” which emerged from the Symposium's deliberations. Perhaps you should familiarize yourself first with the different points of view of the participants before savouring the “Macau Manifesto”.

1) The *humanistic* track

Values are shaped through different religious and secular wisdom traditions which always have a tendency to fall into ruins unless education keeps them alive. Confucian values of respect, integrity, and truthfulness can be understood as a secular framework of core human values. Bernard Lee, for example, refers to Peter-Hans Kolvenbach the former General of the Jesuits in order to highlight the purpose of Jesuit Higher Education in terms of three characteristics, namely:

- a) To promote dialogue between faith and culture.
- b) To include a religious dimension that permeates the entire education.
- c) To assist in the total formation of each individual within the human community.

Jesuit Higher Education aims to bring about a lasting change of heart as it challenges its students in whole-person development, hoping that students can change the whole world to become a better place especially for the poor and disadvantaged. Bernard Lee refers specifically to the aim of Sogang University, namely, to teach individuals the essence of life vocation and the adoration of the Mighty God, by advocating humanity, whole-person development, and truth. Similarly, Sophia University, a Jesuit university in Tokyo, also champions whole-person development, the values of Catholicism, and truth. In short, both Sogang University and Sophia University treasure Jesuit traditions, Catholicism, and self-formation.

Self-formation has an indispensable role to play in both western and eastern cultures. Parallel to the German tradition of “*Bildung*” as a whole person formation, is the tradition of Confucian self-cultivation and self-forming freedom. The humanistic process of development should always be done facing the brutal realities of today's world which can be distorted by the media and other actors in society. Christine Leuenberger thus hints at the ever-increasing proliferation of misinformation concerning issues such as migration and borders. Education needs to be based on solid social analysis, open to facts that can be examined and challenged. Based on her long-term research on explosive borders such as that between Palestine and Israel, Leuenberger convincingly stresses the long-term benefits of more open borders for economy and society, as well as for the legal and moral precepts and values that have been fundamental to post-World War II governance, which include upholding human rights, the right of asylum, and protection from persecution. Scholars have also increasingly drawn on the African concept of “*ubuntu*” in or-

der to think about notions of human solidarity, togetherness, and responsibility towards others. The meaning of “*ubuntu*” is frequently communicated through the telling of stories as a powerful pedagogical tool for pursuing knowledge and wisdom. In that spirit, we must turn away from stories that emphasize the need for exclusionary policies and toward stories that point to the benefits of openness, integration, and collaboration.

Laszlo Zsolnai strongly argues that we need to move away from an economy built around the principles of profit maximization and efficiency towards one based on the logic of sufficiency because achieving frugality and sufficiency requires more substantive organizational forms that radically alter the underlying structure of currently dominant configurations of formal economizing. This means introducing smaller scale, locally adaptable, and culturally diverse modes of substantive economic activities.

Inspired by Ignacio Ellacuría and Pope Francis, Martin Maier pleads for a “civilization of shared frugality.” Maier argues, on the one hand, that resources and wealth must be divided more equitably and, on the other hand, that this will inevitably require restrictions in the lifestyles of people in rich countries. The new civilization’s decisive criteria have to be universality, justice, and sustainability. The economies of the rich nations of the North are not universalizable, given the environmental risks involved and the limits of natural resources. Whatever is not universalizable cannot be defended ethically either, according to Kant’s categorical imperative. On a global scale, justice means that all human beings have the same right to natural resources and to energy; and that the ecological consequences of their development must be distributed equitably or at least in a more or less similar way. Sustainability means administering resources in such a way that the moral foundations of action are not destroyed and that the rights and interests of future generations are borne in mind.

Along the same lines Dean Sanders proposes the term of “Consummation” for a concept of marketing that may be central to a new paradigm of economics. Consummation is defined as “the act of making something complete or perfect” (Oxford Shorter Dictionary). Building on this definition Sanders is developing a set of principles to make Consummation an actionable marketing concept. These principles would include a framework of foundational ethics to direct the decision-making of marketing leaders; transparency in decision-making demonstrating a common good intent; creative application of the marketing mix to execute the Consummate nature of the brand experience; and an agile and creative development of the business model to incorporate externalities whilst ensuring continued growth. The hope is to combine the “culture of frugality” with a pattern of growth that is sustainable. An excellent example of working realistically toward a “culture of frugality” is made by Christine Lai who argues for solidarity between generations. To advocate care for the needs of elderly people becomes even more evident and compelling in times of a pandemic, when a selfish culture—aptly diagnosed by Pope Francis as a “throwaway culture”—would tend not to bother about the needs of aged, isolated people, who are dismissed as about to die anyway.

2) The *economic* track

To shape professional codes of ethics and ethical branding requires a comprehensive formation in economics and finance that highlights their inherent moral dimension. This moral awareness may be stimulated with a type of social analysis involving social exposure programs for both teachers and students, programs that make it evident how many people struggle to survive in destitute situations having lost any sense of their human dignity. To understand economic and financial data in such a context would enable teachers and students to understand also how

crucial it is to be able to learn from people whose lives need to be changed for the better.

Edmond Eh explains the concept of “The Economy of Communion” which was formulated in 1991 by Chiara Lubich (1920-2008), who emphasised that the spirituality of the “culture of giving” is opposed to the “culture of having.” The Economy of Communion originated from the *Focolare* Movement, whose spiritual identity is based on striving for communion (or unity) with others. The culture of giving involves a communion (or sharing) of goods among *Focolare* members as well as helping people who are not members of the movement. Hence the Economy of Communion highlights the spiritual significance of economic activity. Entrepreneurs within the Economy of Communion movement consider it essential to make profits to ensure that their businesses remain viable and expand. They also consider it necessary to distribute their profits to those who are in need and to promote social development. The Economy of Communion is thus a model of subsidiarity economics that addresses the weaknesses of both the market economy and the centralised economy. The first advantage is that businesses on this model have to operate efficiently so as to survive and remain competitive in the context of the free market. The second advantage is that businesses within the movement are self-regulating by nature and do not require governmental interference in order to behave in an ethical manner. With its focus on the “culture of giving” that challenges the “culture of having,” the Economy of Communion is a significant model of common good entrepreneurship that integrates spirituality with business practices in a manner that promotes fairness and solidarity for all.

Georges Enderle proposes a comprehensive conception of wealth creation that includes seven features. The first feature defines the substantive contents of wealth with four types of capital which includes (1) natural capital: non renewable natural assets: oil, gas, copper and all the other minerals; conditionally renewable nat-

ural assets: fish and trees reproducing themselves; natural liabilities: carbon dioxide (CO₂) and other chemicals; (2) economic capital: physical capital: machinery, equipment and structures as well as urban land; and financial capital: any asset for which a counterpart liability exists somewhere on the part of another institutional unit, for example, gold reserves; (3) human capital: the knowledge, skills, competencies and attributes embodied in individuals that facilitate the creation of personal, social and economic well-being (“educated people”); a state of complete physical, social and mental well-being, and not merely the absence of disease or infirmity (“healthy people”); as well as (4) social capital: connections among individuals – social networks and the norm of reciprocity and trustworthiness that arise from them.

At the core of Enderle’s definition of wealth creation stand two forms of capital, meaning formal as distinct from substantive aspects of capital: private and public wealth. The wealth of a nation is a combination of private and public wealth. Examples of public wealth are a fair and effective rule of law, a relatively corruption-free business environment and the stability of the financial system. Examples of negative public wealth are climate change (global warming), air and water pollution, discrimination by gender, race and ethnicity, and their consequences in conflict-stricken areas. The combination of private and public wealth has far-reaching implications. Markets are powerful for producing wealth, but they fail to generate public wealth. Moreover, motivations for public wealth need to be other-regarding, and not just self-regarding. In the final analysis Enderle stresses Human Rights as public goods in wealth creation. At stake are the 30 internationally recognized human rights, which form the basis of the United Nations “Guiding Principles on Business and Human Rights” (UN 2011) and are incorporated in the “Universal Declaration of Human Rights” (1948), the International Covenant on Economic, Social and Cultural Rights (1976), the International Covenant

on Civil and Political Rights (1976) and the International Labour Organization's core conventions (1948, 1949, 1957, 1958, 1999).

Dennis McCann places the notion of “subsidiarity” in its historical perspective as intent upon resisting Fascism and other forms of Totalitarianism. The goal is to create forms of public assistance, consistent with Human Dignity, Human Rights, the Common Good, Distributive Justice, and Solidarity. One of the innovative recent developments in the Church's understanding of subsidiarity is the reference in *The Vocation of the Business Leader* (VBL: Vatican Justice and Peace Commission, 2012) counselling business leaders to create “subsidiary structures” in the organization and management of work (Paragraphs 47-50). McCann argues that the Principle of Subsidiarity could be a driver of Catholic Social Teaching's proposals for overcoming poverty. Empowering the poor means providing access to capital. This can be illustrated either through an investigation of the Grameen Bank in Bangladesh or credit unions in the Philippines or both. Here the Principle helps overcome the “moral hazard” inhibiting conventional banks from lending to the poor: the risk involved in extending credit to anyone, is no greater among the poor than with the rich, if the loan is managed properly.

Chiaretto Yan deeply inspired by the notion of “Economy of Communion” describes the Chinese experience of prosperous coastal provinces paired with and helping poor provinces in western China, an experience that can be shared at the international level and proposed as a model for the assistance relationships between developed and developing countries. Deng Xiaoping once famously introduced China's “open door policy” in 1978 with his battle cry that “to get rich is honorable.” That unleashed tremendous potential for economic reform and the opening up of China. More significantly however, Yan points to the second part of his quote often left unnoticed where Deng suggested: “We permit some people and some regions to become prosperous first,

for the purpose of achieving common prosperity.” Therefore, common prosperity is the key and the main objective. It has been a long tradition for China to pair rich coastal provinces with poor ones in the western region to offer assistance for poverty relief.

Along the same lines, Andrew So, founder of the Asian Confederation of Credit Unions (ACCU), strongly argues for a social cooperation that complements economic cooperation, so that mutual help would not merely be sporadic but continuous and sustainable. The purpose of economic cooperation is to improve the lot of the economically weak by means of their working together. A cooperative or credit union is the tool through which economic cooperation can be practiced and people can effectively work together in different fields of economic activities. It is also a proven fact that many types of cooperatives could reduce poverty as they produce clean energy and reduce waste.

The Compendium of Social Doctrine of the Catholic Church stresses that the transfer of clean technologies to developing countries is also the responsibility of developed countries, in order to solve the global environmental crisis and to safeguard the earth as our common home. There is also the new application of the “Go West” development plan in China to counter post-coronavirus geopolitical risks and obstacles posed by the US-China decoupling. The idea is to form a triadic development pattern involving a domestic cycle (国内大循环: “*Guonei Daxinghuan*”) between the prosperous eastern China and the less-developed western China as the main body, and the domestic and international cycles mutually promoting one another (国内国际双循环: “*Guonei Guoji Shangxinghuan*”).

Mike Thompson who is the key architect of our Macau Manifesto offers several digital solutions for poverty relief, under the heading of “Digital Capitalism for the Poor” for regions where the basic principles of contract and private property are not strong enough to support the

economic freedom that characterises competitive markets. Thompson thus describes how blockchain technology can provide new ways for the poor to access property rights as well as to help promote transparency, build trust and reputation, and enhance efficiency in transactions.

Franz Gassner analyses models of ethical investment that are in compliance with exclusion criteria, which are intended to prevent any investment supporting unacceptable or ambiguous social and environmental behaviour results. In principle, exclusion criteria must be applied consistently in all cases (e.g., exclusion of atomic energy, drugs, child labour, pornography). In less clear-cut cases, such exclusion criteria are set relatively and apply then only under expressly specified conditions (e.g., automobile industry; fossil fuels). Another method consists in using positive and negative scores which results in a ranking of respective investments and companies. In critical sectors, only the “most sustainable” project, company, or country should be chosen to be eligible for investment. With this method a “role model effect” is intended and created, which helps to raise the overall standards in the particular economic field and sector, thus indicating positive incentives for investment. The goal is to improve mutual understanding, communication and deepening of awareness and levels of responsibility among involved or participating actors.

Finally, Christoph Stückelberger, in his analysis of Impact Investment, argues for finding the balance of the four values of freedom, fairness/justice, sustainability and security: freedom of capital trading and transfer while respecting fairness of rules, equality in chances and access, sustainability in impact and security of financial assets.

3) The *legal* track

Education should finally reveal the intrinsic link between ethics and law, in order to protect the legitimate rights of the most vulnerable in society. Special attention needs to be paid to creating professional legal networks which monitor the implementation of regulatory reform legislation and develop professional commitments to creating jobs and helping those left behind.

Emmanuel Chubaka shows how the sanitary burden of communities in the least advanced socio-economic groups could be translated into financial assets, to make polluting corporations accountable to the public. A regulatory framework to monitor pollution and maintain the sustainability of the economic activity may already exist at a global level, even though, it lacks consensus on the enforcement mechanisms among countries, specifically when it comes to greenhouse gas emissions and to carbon pricing.

Bruno S. Frey and Margit Osterloh bring up an example of a commission on environmental policy in which a large majority of the members is convinced that electronic cars will provide a crucial solution to global warming. Persons not so convinced, e.g. because they take into account all the resources going into e-cars including the production of electricity which may damage the environment, may be reluctant to openly discuss these concerns because they fear being attacked for not supporting an improvement in the natural environment. In order to facilitate a more appropriate dealing with complex issues, Frey and Osterloh suggest the institution of an *Advocatus Diaboli* (“Devil’s Advocate”), whose function is to bring aspects into discussion and decision-making processes which otherwise are neglected, discouraged or actively undermined. The institution of an *Advocatus Diaboli* can be applied to many different commissions. It is particularly fruitful when the commission members are quite homogenous, while divergent views are very important. They propose also the concept of “Functional

Overlapping Competing Jurisdictions (FOCJ)” given the fact that problems are addressed within historically given geographical borders. In many states, it is the central government; in more federal constitutions part of the decision-making power rests with lower units such as provinces, regions, or municipalities. However, the scope of an issue rarely fits the historically given size of the decision-making unit. In many cases, the units are too large or too small, and the problems concern several entities in total or partly. Functional Overlapping Competing Jurisdictions (FOCJ) create the political units such that they match the problems to be dealt with. As the extension of problems diverges, there are many overlapping political units devoted to solving a particular problem. FOCJ are in line with Catholic social teaching where much emphasis is given to subsidiarity. This rule calls for public decisions to be taken at the lowest possible level. FOCJ meet exactly this goal. FOCJ also conform to the organization of Catholic religious orders. From their very beginning, orders such as the Benedictines or Jesuits were not organized according to national units. Their provinces often extend beyond them or cover only part of them. They are non-nationalistic, which is one of their great strengths.

Another convincing call for decisive change on the level of the institutions comes from the President of Silliman University, Dumaguete, Philippines, Betty Cernol McCann. For many years Cernol McCann was at the forefront of promoting the notion that at the level of an institution, environmental practices make good business sense: Segregation of waste makes for more efficient operational processes, the creation of alternative income streams and favourable economic returns that sustain environmental project goals. For example, time and energy may be saved through more effective waste collection; biodegradable wastes can be used to sustain organic fertilizer production; recycling supports the local household economy and reduces destruction of primary sources of products like trees and mineral deposits.

Service-learning is well integrated within Silliman University as a teaching methodology in order to introduce a community based economic perspective. Its adoption, for example, can bring lessons on economic equality and access to resources to the level of households, away from the “tyranny of the average” evident in focusing merely on average household income, or on an average basket of goods. Giving more importance to understanding specific households (as opposed to an aggregate household) will call attention to the quality of life of each household in a community, to the unique or specific contexts of farming or fishing households and being mindful of specific sociocultural contexts. Silliman University’s “Zero Waste” policy and other innovative environmental programs began in 2018. It is clearly “a work in progress.” In response to the COVID pandemic a leadership team has had to redesign teaching and learning processes, incorporating as much digitally based programming as possible.

José Miguel Encarnação is very confident that Macau with its strong philanthropic tradition supporting, for example, the Holy House of Mercy, will contribute to a new paradigm of the economy, resulting in the short term in new programs protecting the family as an institution and guaranteeing a better future for the next generations.

Roderick O’Brien observes that contemporary societies are very complex, both locally and globally. And the component structures such as our legal system or our education system have embedded within them the current paradigm of economics. These highly complex systems cannot be changed overnight. Nevertheless, O’Brien also argues that change is possible. We learn from history, for example, that the institution of serfdom, which embeds an earlier paradigm of economics, was replaced by newer systems of employment based on the market paradigm. The new systems may still be exploitative, but they are different.

Unless changing the economic paradigm becomes an ongoing exercise probably nothing will really change for the better. However, with the full support of different actors of society there is hope that at least some concrete steps for opening economic models systematically will be undertaken, especially for the benefit of the disadvantaged and poor.



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