
TOWARD A NEW PARADIGM OF ECONOMICS

走向新经济范式

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Moving to the “New” and The Difficulty of Change

The English philosopher Iris Murdoch once wrote: “We can change what we are, but not quickly or easily, there is such a depth and density in what needs to be changed.” (Murdoch, 1993, p.325) The *Macau Manifesto* reminds us that economics is dynamic, and that individuals, organisations, and nations are constantly changing as economic actors. Observing this flux, we can overlook the reality that change is difficult, and that it is costly at every level.

Changing the Individual

The “depth and density” of the individual means that a change of heart, a change of direction of the spirit, is very difficult to achieve. The change of heart will be most difficult for those who have the most “invested” in the existing paradigm of economics, and who derive the most benefit from it. This is not necessarily a financial cost. Let us take an example.

Mr King is a coalminer. He followed his father in this work. He is skilled, and respected in his small town near the coalfields. He does not make high wages, but his self-esteem does not depend on wages. Rather, he feels that his work is beneficial, that he is good at his work, and that he is valued in his community. So if coal mining loses its social value, if Mr King loses his work, and his community ceases to exist, then the personal cost to Mr King will be very great. We should not be surprised if Mr King does not want to change the place of coal in our current economic system.

Of course, change is possible and often desirable, but any major change in life is costly for an individual, even a change to a better situation. If achieving the proposed new paradigm is not certain, or if the benefit is uncertain, then it may be very difficult for an individual to change.

Change is something desirable, yet it becomes a source of anxiety when it causes harm to the world and to the quality of life of much of humanity. (Francis (2015) para 18)

Changing the Community

As for an individual, so also a community will be difficult to change, for in communities made up of many individuals, there is a multiplier of depth and density. Again, those communities which have the most invested in the existing paradigm of economics, and who derive the most benefit from it, will find change the most difficult. Communities include not only families, but also corporations (through their members such as shareholders), trade unions (whose purpose is built around the current paradigm), professions, and nations. Let me take an example:

In the armed forces of a certain nation, the commission as “officer” could be purchased, with the cost increasing with ascending ranks. As an officer was promoted, he was able to sell his lower rank. A reforming government wished to abolish this system of purchase, and replace it with appointment by merit. The existing system was strongly defended by those who had invested in purchasing their commissions, as they would no longer have any value, and could not be resold.

Change is possible. For example, we learn from history and see how guilds were gradually transformed or completely ousted by trade unions and associations. The economic paradigm had changed, and so did the communities. But if the direction of change does not include a clear vision of the new arrangements, achieving the change will be more difficult.

Change to a new economic paradigm is likely to involve reallocation of costs for communities who have not had to bear such costs in the past. In some communities, water has been experienced as a free and unlimited resource: the monetization of water will be a difficult task.

Yet only when “the economic and social costs of using up shared environmental resources are recognized with transparency and fully borne by those who incur them, not by other peoples or future generations” can those actions be considered ethical. (Francis (2015) para 195)

Whatever new paradigm is adopted, the process of change is more likely to succeed if the process is respectful of people’s actual situations, compassionate to those who are disadvantaged by the change, and accepting of personal imperfections in the face of change.

Changing Embedded Structures

Our 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. Let us take an example:

At the time of writing, resources are being poured into the search for a vaccine against the COVID-19 coronavirus. State organs, corporations, and community volunteers are all involved. These researches will be protected by our structure of patents, which seeks to balance the community need with the reward to the researcher and developer, by providing a time-limit for ownership. This structure of patents embeds market economics in a global institution. The current economic processes favour large state-owned or corporate entities which can conduct the research and carry it through to mass production, while protecting their work through the patent system (intellectual property). At present there is no obvious alternative to the patent system.

Change is possible. We learn from history 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.

We have certain superficial mechanisms, but we cannot claim to have a sound ethics, a culture, and spirituality genuinely capable of setting limits and teaching clear-minded self-restraint. (Francis (2015) para 105)

Preparing for Difficult Change

Changing our current economic and technological paradigms is possible. Chapters 5 and 6 of the Encyclical Letter *Laudato Si'* sketch a path for conversion at the individual and community level. But such change cannot simply be an individual change of heart: it must lead to a change of communities and structures. An important step in changing the economic paradigm is to name the steps involved in transforming an individual change of heart into changes of communities and changes of structures. The three sections of the *Manifesto* (Subsidiarity Economics, Wellbeing for All, and Common Good Entrepreneurship) provide us with three frameworks for change. Because of the depth and density of our lives, change will have to move across many aspects of our lives.

A healthy politics is sorely needed, capable of reforming and coordinating institutions, promoting best practices, and overcoming undue pressure and bureaucratic inertia. (Francis (2015) para 181)

To the political we could add the social, the spiritual, the ecological, the institutional, and the personal. All of these intertwine: change is difficult, but not impossible.

Humanity still has the ability to work together to build our common home. (Francis (2015) para 13)



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