

TOWARD A NEW PARADIGM OF ECONOMICS

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." (*Metaphysics as a Guide to Morals* 1993, 325)

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.

Change is possible, and sometimes a prophetic individual or group can initiate and achieve change. We can learn from history, particularly in the abolition of slavery.

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. [Laudato Si' #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.

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.

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. [Laudato Si' #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.

As an example, we can take the current search for a vaccine against the COVID-19 coronavirus. State organs and corporations are pouring funding and personnel into the search. 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. Perhaps we will see “winner takes all”. Such structures are difficult to change because something must take their place.

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 base 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. [Laudato Si’ #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.

A healthy politics is sorely needed, capable of reforming and coordinating institutions, promoting best practices, and overcoming undue pressure and bureaucratic inertia. [Laudato Si’ #181]