1. Introduction

Clarifying and distinguishing the debates

What sort of conception of human flourishing does capitalism promote? This question is less familiar than its popular sister: Does capitalism promote human flourishing?, and also less popular than: Is capitalism desirable?, and than the policy variant: Is capitalism better than the alternatives? Those last two questions are bigger than the questions about human flourishing, because human flourishing is not the only relevant evaluation criterion.

Deirdre McCloskey’s recent book and grand project on *The Bourgeois Virtues* ask whether capitalism is desirable, in process and in outcome. In this opening book in her series she primarily considers: What are the virtues? and does capitalist society recognise, practice and promote them? But her overall destination, she declares at the outset, is a vindication that capitalist society, indeed specifically American capitalist society, is desirable. In contrast, my main question in this paper is: what ideas of the desirable does the real practice of capitalism represent and encourage?

Most discussion on the relationships between capitalism and human flourishing concerns capitalism as a means, an instrument. It considers how efficacious or not the instrument is, with respect to some conception or conceptions of human flourishing. As we will see in the second section of the paper, the existing defences of capitalism are in terms of its instrumentality for far more than economic growth. It is also defended as being, amongst other things: a field of freedom; a forcing ground of innovation; a system for widespread opportunity for involvement in decision making and hence for the growth of skills, knowledge and experience; a mechanism to reward effort and creativity; and a stable basis for political democracy. A writer like McCloskey looks at
a wide range of possible effects. Each of these lines of defence carries a potential for critical assessment too, and for motivating reform and redesign. Most of the lines of thought also have implications for the conceptions of human flourishing that are associated with capitalism.

That last question has received less attention: what conception of human flourishing does capitalism promote? While multiple conceptions of flourishing may exist under capitalism—and sometimes claims are even made that capitalism provides space for whatever conception of flourishing people happen to hold—I will ask whether certain types of conception are promoted by capitalism and more in harmony with it, rather than simply able to co-exist with it. With reference to current conceptions of well-being—pleasure or satisfaction, preference fulfilment or fulfilment of substantive needs, and so on—the third part of the paper will suggest that capitalism does not fit any of them very well. Instead, its unending drives for expansion and destruction may fit an activist conception of well-being.

Paradoxically, the typical conception of work under capitalism is as a cost. We should reflect on the categorization of costs and benefits under capitalism. There are fundamental implications of extending capitalist accounting categories from the level of the individual capitalist enterprise to that of an entire society. The highly questionable results which this extension produces in the case of discounting, of future costs and benefits, have been extensively discussed. The comparable extension of capitalist categories for the treatment of paid work time might produce major distortions in policy evaluation, given the extensive evidence that for many people work is one of the major sources of fulfilment. The paper’s fourth section raises this issue and also asks how alternative conceptualizations of work might contribute to a more adequate treatment of human flourishing.

I have framed the issue in terms of a pair of vast and vague general notions: capitalism and human flourishing. I should explain why, and what I mean by them.

**What is human flourishing?**

I have chosen to use the category of human flourishing, more than those of welfare or well-being, for two reasons. First, welfare and well-being are too easily seen as nouns, presumed unitary and ready for measurement, rather than as verbs; and they are thus, second, too readily subsumed into the utilitarian mindset of mainstream economics. The term ‘human flourishing’ better represents the classical concept of eudaimonia (Wikipedia). Martha Nussbaum points out that while most 18th-20th century English translations of ‘eudaimonia’ reduced it to mean happiness, it instead means ‘a complete and flourishing human life’ (1997: 118-9).

To say more about this first reason: the concept of well-being that has revived in the past generation is a great improvement over the notions of utility or ‘economic welfare’; but it is more prone to essentialization than is the concept of human flourishing. Well-being might be better conceived of as a verb, or a verb noun; well-being. This formulation matches the subtle, fluid, elusive and ongoing aspects of life. Life, the noun, really consists of living, the verb. As Nussbaum notes: ‘Most [ancient]
Greeks would understand *eudaimonia* to be something essentially active, of which praiseworthy activities are not just productive means, but actual constituent parts\(^1\) (1986: 6).

Second, there is a danger that this well-being becomes thought of as a quantity of something relatively straightforward, that we can weigh or otherwise measure, a sum of mental money or some quasi-biological variable that can be read-off by the appropriate technical apparatus. This is the path that was followed in reducing the concept of utility, perceived usefulness, into a concept of ophelimity (Pareto’s term), a supposed measure of satisfaction.\(^1\) I still sometimes use the term ‘well-being’, which is standard now both in scientific and everyday language, but I will use ‘human flourishing’ when I need to emphasise that we are talking about processes of be-ing, as valued in processes of reflection and discussion, and not about quantities of a mental money nor some counterpart to mental temperature which we could measure by deft use of a well-being thermometer.

**What is capitalism?**

The concept of capitalism contains various elements:
- first, the commodity form,
- second, the habitat for commodities, namely, markets (a system of resource allocation based on use of prices, monetized exchange, buying and selling);
- third, private property.

Much discussion in the Weberian tradition concentrates on markets alone, not other features of capitalism. But markets are found also outside capitalist societies; there could be market socialism, for example.

John Douglas Bishop’s survey of issues in the ethics of capitalism defines capitalism as the combination of private property and free markets (Bishop 2000: 4). This is problematic in both what it highlights and what it leaves out. The idea that capitalism by definition involves *free* markets—meaning that prices are determined in markets—implies that monopoly capitalism cannot exist. Adam Smith was more realistic, noting that nothing was more typical of capitalism than collusion to restrict free competition. Attempts to define capitalism by the freedom of markets can lead to the exclusion of misdemeanours by definition, and diversion of attention from more central aspects. Thus in addition the definition does not go far enough. Essential to capitalism is a further feature:
- fourth, particular forms of property and enterprise law and accounting practice, which assign all net surplus to the owners of capital. The default setting for the allocation of net surplus is that it goes to the capitalists, and not to the workers or the community. We can call this ‘the prerogative of capital’ (see e.g. Ellerman 1973). Labour is instead a commodity.

This fourth feature, missing from Bishop’s characterization, deserves special attention: the prerogative of capital takes us to distinctively capitalist property arrangements and categories, and their implications. One of the implications may be what we can call ‘the perspective of capital’, wherein work is presumed to be a cost and human flourishing is presumed to be measured by net present value.

We can then add further features:
fifth, an apparatus of supportive systems (including of state power) that defend and extend the features that we have just mentioned (marketed commodities, freedom of markets, private property and the capitalist prerogative); and,

sixth, more broadly, the types of politics, culture and society that may be symbiotic with capitalist economy and its supportive apparatus.

There is obviously not just one type of capitalist society. Capitalist societies are not totally integrated mega-systems with a unitary rationale. They contain far more than capitalism, even if we defined that to cover all the six features above, not only the first four. Capitalist societies also contain families, religions, arts, sciences, and civil society in many fields. So we can distinguish:
- capitalist economic arrangements and activity, namely the first four features above;
- capitalist theory and ideology: which can differ from the actual behaviour, for example by downplaying the negative features; and
- capitalist societies, which include much more than just capitalist economy and capitalist theory.

McCloskey has a richer conceptualization of capitalism than Bishop’s, yet one that is still fundamentally incomplete. She sees capitalism as ‘merely private property and free labor without central planning, regulated by the rule of law and by an ethical consensus’ (2006: 14). This touches on or implies most of the features we mentioned, but the definition has become moralized, as if there cannot be capitalism unregulated by the rule of law, such as in contemporary Russia and much of the global South. McCloskey does not consider that true capitalism. And, critically, the definition excludes the essential capitalist prerogative, or smuggles it in via particular interpretations of private property and free labor. Implicitly, ‘free labor’ here means labor as a commodity that is free from having a share in surplus. Towards the end of the book McCloskey repeats this sort of partly reduced, partly idealized, definition of capitalism: ‘a market-oriented, free-trade, private property, enterprising, and energetic economy, [just as] in the Lower Galilee of Jesus’s time’ (p.462). In the relatively self-enclosed, abstracted, neat intellectual world of much market theory there are verities relevant in Jesus’s time and at all times (end p.508). This sort of notion from the realm of economic theory is insufficient for thinking about 21st century forms of capitalism, in which the principles of commoditization, private property rights and the capitalist prerogative are being extended and modified in—for example—attempts to patent the neem leaf and the human genome, and in an international trade in persons and in human body parts.

McCloskey’s definition of capitalism serves to insulate it from criticism. Problems are due to other systems—notably statism—and not due to capitalism; and/or they are due not to too much capitalism, but to too little. Thus McCloskey has little to say on the natural environment, except that: ‘The absence of property rights brought the ecological endangerment’ (2006: 32)—not capitalism but the absence of capitalism. The capitalist system is judged by its results, except where they are bad. Then it can be said that the problem is not the system, but instead too little of it. Elsewhere McCloskey urges us to understand and evaluate the system as a system, a culture that is reinforced by and reinforces its legal and economic arrangements; yet sometimes it seems that we are to close our eyes to the fact that the system is not only a set of abstracted textbook arrangements but a rich composite of consequences and causes.
One such consequence is that property rights are often not yet introduced when the rich and rapacious think that they can get more for themselves individually by using their powers to seize. And private property does not always lead to resource conservation; it can lead to resource-mining, with the profits then switched into other sectors.

Real capitalism cannot be discussed with all the disliked bits and interconnections left out – such as that an economic system requires a state, or that superwealth spreads and buys political power, or that rich farmers inevitably seek to capture a regulatory apparatus. For McCloskey such capture is a defect of statism, not of capitalism (p.35). Capitalist capture of the state is seen as part of statism, not capitalism; the supposed mistake is to have created a regulatory apparatus. Likewise for cases of the feeding of corporations with public money (p.44ff), even though these cases are driven by corporate power. McCloskey recognises that the robber barons ‘corrupted politics. But when have the rich not done so?’ (p.493). Her advice is to minimise the state that is available for them to corrupt and capture. Even the disastrous imposition of capitalist ideology on Africa in 1980s and 90s spearheaded by the IMF and WB is presented by her as a failing of statism, not of capitalism.ii

We must keep in mind the dangers of essentializing capitalism, in whichever direction: as pure and timeless good, or pure and timeless evil. Capitalism has many operationalisations possible at a given time, and is further flexible over time; consider for example the emergence of participant capitalism as described by Jeff Gates (Gates 1998). We need to think about possible potentials for the evolution and mutation of its categories and practice, into more humane directions.

2. Is Capitalism Desirable?

Amongst the main types of economics arguments for markets, first come the familiar pictures of markets as fine-tuned machines for making marginalist calculations about benefits and opportunity costs: the neo-classical, equilibrium-focused, emphasis. (We should of course here ask: whose benefits and costs?) Markets can also then be considered as sensitive mechanisms which can go wrong in many ways. Second, come the pictures of markets as eco-systems that are strong in generating learning, adaptation, and innovation: the more long-run emphasis given by the evolutionary and Austrian schools. I see overall a set of four economic themes:

1. markets as relatively efficient transmitters of information and incentives (but having significant transaction costs)
2. markets as ways of mobilizing the energies and information of myriads of diverse agents in diverse situations across a whole economy, indeed the whole world
3. markets as flexible adjusters to change; and
4. markets as efficient allocation mechanisms, a proposition that tacitly rests on the previous three features.

Theme 4 has received the lion’s share of attention in academic economics textbooks, though they rarely adequately specify the assumptions required to sustain the conclusion that a market equilibrium is socially efficient (in some sense of the term). The assumptions concern the absence or unimportance of each of the following: externalities
and ‘public goods’; (other) information failures (producers and consumers must be well-informed on the nature of products, on available present and future alternatives, on costs and benefits, etc.); and of monopoly power (prices and quantities must respond well to excess supply or demand). Required in addition are the absence or unimportance of incompetence or irrationality, and of improper interference with free exchange and price movements, whether by criminals or by the State.

The potential failings of markets in terms of economic efficiency arise from the presence, to a significant degree, of one or more of the factors just listed. The potential failings concern also matters beyond economic efficiency: distributive equity and the acceptability of preferences.

- Markets are liberal institutions: they allow anything to be bought and sold if it is not prohibited and prevented. For good and/or ill, markets have no views or guarantees about the content and outcomes of the process. Where consumer preferences are judged ethically unacceptable then so too will be market outcomes (consider, e.g., preferences for hurting other people, and perhaps, ironically, preferences about exactly how other people should live).
- Distributive equity concerns a morally acceptable distribution of income, tasks and duties, and of risks. Markets only respect effective demand. Sen’s entitlements approach highlights the possibility of disastrous market outcomes caused not by technical market failures but by the structural blindness of markets to people without money, those who lack or lose money-backed title to benefits.

These considerations leads us further beyond economic arguments, including to social and political themes such as that:

- markets are a decentralized way of organizing societal decision-making, which does not require (a) consensus on societal objectives or (b) a central decision-making authority; thus, they offer allocation without an allocator; and
- markets are avenues of free choice: whether or not the preferences pursued are considered good or not, their free pursuit is itself considered a good; the freedom argument for markets still apply up to a point even when agents are incompetent and irrational.

The entry on ‘market’ in the *Oxford Dictionary of Sociology* sums up that there are both political and economic arguments for and against markets. My Table 1 provides an overview of such arguments.

Extending the purview of evaluation beyond economics arguments reveals that externalities arguments concern also, and perhaps more importantly, matters of cultural and political side-effects. As we have just noted, market proponents claim that markets provide a multi-polar source of power independent of the State, which helps to counterbalance it. Market critics argue to the contrary that markets generate enormous concentrations of wealth which can be converted in a commodity-based society into other types of power, via political campaign funds, bribery, ‘favours’, threats, mass media ownership, selective funding of research and education, and so on. (cf. Walzer 1983). Markets tend to spread, both because money often tries to buy other types of power, and because a market-mentality can spread.
Table 1: Political and economic arguments for and against markets

<table>
<thead>
<tr>
<th>ASSERTED STRENGTHS</th>
<th>ASSERTED WEAKNESSES</th>
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<tr>
<td><strong>POLITICAL</strong></td>
<td></td>
</tr>
<tr>
<td>Freedom</td>
<td>Freedom ‘to sleep under bridges’ is not enough. Free choice is not always wise or good choice.</td>
</tr>
<tr>
<td>Decentralization</td>
<td>Acquisition of great wealth distorts politics and administration</td>
</tr>
<tr>
<td>Reward effort and skill</td>
<td>Private property system also rewards luck, and accidents of birth. It ignores some other aspects of equity.</td>
</tr>
<tr>
<td><strong>ECONOMIC</strong></td>
<td></td>
</tr>
<tr>
<td>Prices cheaply coordinate agents by transmitting information,...</td>
<td>Information is not shared by all.</td>
</tr>
<tr>
<td>.. that reflects both supply conditions and demand conditions, the information needed for efficiency;</td>
<td>Markets only use information of certain types, and only on things that can be related to money. They ignore external effects.</td>
</tr>
<tr>
<td>.. and they provide incentives for effort, adjustment, and innovation.</td>
<td>Competition and its rewards and penalties lead to concentration of economic power.</td>
</tr>
<tr>
<td>Markets allow and encourage specialization; …</td>
<td>Markets can be risky and unstable [not least financial markets]. They leave many people vulnerable.</td>
</tr>
<tr>
<td>..and train in decision-making and self-reliance</td>
<td>They train in selfishness and decadence?</td>
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Similarly, whereas market proponents stress that markets can and do build skills, independence, self-reliance and initiative, market critics stress that uncontrolled markets do not promote altruism and community, and can in some circumstances undermine them (as currently seen in certain countries). By promoting narrowly self-interested behaviour and ignoring side-effects markets can weaken institutions that keep societies coherent and humane (see e.g. Stretton & Orchard 1994).

The Oxford Dictionary of Sociology goes further. Drawing on Robert Lane’s massive survey The Market Experience (1991) it remarks that the economics arguments typically make two fundamental, questionable, assumptions: that work is always a cost, and that money income is a major source of well-being. How much the economics themes above have to do with human flourishing depends on these two factors:

- First, the connections between human welfare and maximization of the value of commodity production. The connections are shaky (Easterlin 2001; Gasper 2005, 2007a, 2007b), as we touch on in the next part of the paper (Section 3). In contrast, political arguments for markets need not make strong assumptions about such connections; they stress markets as channels for freedom, and as spaces to use one’s energies and ideas.

- Second, the significance of work for well-being. The standard literature makes no reference to the status of work. It is relatively little considered in literature which implicitly focuses on markets, rather than on capitalism in its entirety. Yet work is central to people’s lives. For an activity-conscious conception of well-being, seen as well-living rather than as a mental profit output category, work is central to the discussion of capitalism and human flourishing. We look at this in Section 4.
3. Capitalism And The Conception Of Human Flourishing

Many different ideas of human flourishing are present and advocated under capitalism. We could ask:

- Which conceptions of human flourishing are present in capitalist ideology? Which of these sets of ideas are promoted and encouraged by the operations of capitalism? Which of them then predominate under capitalism?
- Which variants of human flourishing are actually furthered by the operations of capitalism? This last is my main interest.

The questions could well have different answers. There may be a discrepancy between capitalist ideology—what it says it does, what it says it values: freedom or utility or whatever—and capitalist reality, what it actually furthers and implicitly prioritises: which might be, activity.

What sort of human flourishing does capitalism in reality further?

The most summary and critical view that one encounters is that under capitalism the meaning given to flourishing becomes: to flourish one’s possessions. (Underlying this lies something deeper however: to flourish one’s possessions is to assert one’s importance, one’s success, one’s quality.) The most extensive and laudatory view is presented by Deirdre McCloskey – that capitalism can and generally does represent and fulfil the classical virtues. In between these extremes, lie many possible more qualified positions, including historically specific positions, in the spirit of Albert Hirschman. Hirschman himself concluded in his book on *Rival Views of Market Society* (1986; which is surprisingly not cited by McCloskey) that market activity both conduces to peace and order (the so-called *doux-commerce* thesis), and to undermining its own moral foundations (the self-destruction thesis); and that where the balance lies in particular cases depends on many factors which require case-specific investigation. We can find this sort of investigation in some of the literatures of social history.

Given the constraints both of time and my own capacities I will present some more generalized ideas that would need more historically specific exploration.

Capitalist society may allow space for expression of all sorts of criteria: but which criteria predominantly drive or steer the system? For business decisionmakers, profit, and for presentday government decisionmakers, economic growth, are clearly major criteria. In both cases, forces of competition often punish much divergence from the paths laid down by these criteria. Other criteria may be honoured in speech, but the racing train of capitalist society proceeds along tracks that may not allow great weight in practice to those criteria. In contrast to McCloskey, her sparring partner Arjo Klamer (2005: ch.4) stresses—in his book called *In Hemelsnaam!*—how the most important aspects of life, the most important criteria of life quality, are not measured in the ruling calculations in capitalist societies.

In terms of existing conceptions of well-being – pleasure or satisfaction, preference fulfilment, the fulfilment of substantive needs, and so on – it may be argued that capitalism does not fit any of them very well. Its motor of restless expansion and destruction may better fit an activist, productivist conception of well-being, or perhaps
a Darwinist model. I suggested this in a 2005 paper in the Review of Social Economy, called ‘Subjective and Objective Well-Being in Relation to Economic Inputs’ (2005), and I have further investigated the theme in a recent paper in the Journal of International Development (2007). Here I will mention some of the arguments and then extend them to look further at the activist conception and at its in some ways paradoxical counterpart, the low status of work in capitalist calculations.

A qualification needed in advance is that the data and analyses on well-being are generally in terms of the relationship of income levels to well-being, not specifically the relationship between type of socio-economic system and well-being. If however we take capitalist societies as being dedicated to the promotion of economic growth, then now that nearly all societies are capitalist, it becomes acceptable to use the available studies to reflect on the relationships between capitalism, well-being and human flourishing.

A huge body of research indicates that the domain of economic inputs to life which economics has studied in detail—resource holdings, income, expenditure—is weakly connected to the domains of valued ends, whether we look at the domain of universally or authoritatively valued life-functionings (such as longevity, mobility, low morbidity, autonomy and agency), which we may call ‘Objective Well-Being’ (OWB), or at the domain of felt satisfactions, which we may call Subjective Well-Being (SWB). Sometimes Subjective Well-Being and Objective Well-Being are not strongly connected to each other either. They clearly have partly different determinants, and both also depend in large part on factors other than economic inputs. (Gasper 2005)

Does income promote Subjective Well-Being? There are different dimensions of Subjective Well-Being: pleasure; contentment; and negative affect (cf. Lane 2000: 15), and the three do not always move in line. Even so it appears workable in most contexts to use a composite of the three, or to prioritise the second, contentment. There are some disputes over what the evidence shows, of course, but also a remarkable degree of consensus about the main lines of what we know. The so-called Easterlin paradox is now widely accepted, that average subjective well-being increases with income to an annual income levels per capita around $10-15K, markedly slows down thereafter and is virtually flat from $20K per capita or so. Some people stress that certain studies show a still slight upslope at the higher income levels, while some other people stress how slight is the upslope or find that it does not exist.

<table>
<thead>
<tr>
<th>SUBJECTIVE WELL-BEING</th>
<th>LOW</th>
<th>MEDIUM</th>
<th>HIGH</th>
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<tbody>
<tr>
<td>HIGH</td>
<td>7</td>
<td>4</td>
<td>[1]</td>
</tr>
<tr>
<td>MEDIUM</td>
<td>8</td>
<td>[5]</td>
<td>2</td>
</tr>
<tr>
<td>LOW</td>
<td>[9]</td>
<td>6</td>
<td>3</td>
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Interestingly, Richard Easterlin himself, the supposed discoverer of the paradox, back in the early 1970s, is far more sceptical (2005a, 2005b). He warns that ‘the diminishing returns generalization is based on data for a single point of time and on a simple bivariate comparison of happiness or life satisfaction with income without controls for other possible variables’ (2005a). His deeper reading of the data, including time-series
data, is closer to an 8 → 5 → 2 position: that income has on average no significant correlation with subjective well-being, let alone a significant causal contribution, at least from lower middle income levels.

Next, does income growth promote the components of Objective Well-Being? The evidence is sometimes yes, sometimes no—no for example because income-getting can compete away attention and resources from more important things—and sometimes that income is irrelevant.

I have presented the overall set of linkages, in a ‘puzzle triangle’:

Figure 1: The puzzle triangle (from Gasper 2005)

![The puzzle triangle](image)

- The Easterlin paradox concerns the left side of the triangle and the non-relation of income to subjective well-being after middle- or high-middle income levels; Easterlin himself holds, as we saw, that there is no relation even at low-middle income levels.
- Similarly, expectations have not been met for the impact of income and consumption on many Objective Well-Being dimensions, such as mental health; this concerns the right side of the triangle. What I call the Schwartz paradox concerns the stresses and discomforts brought by ever widening ranges of required (or promoted) consumer choice, brilliantly summarized in Barry Schwartz’s book *The Paradox of Choice – Why More Is Less*. Yet there are some other factors which do have substantial favourable impacts on Objective Well-Being. We could also call this weak relation in many cases between income and Objective Well-Being as the Sen paradox.
- What we can call the Easterbrook paradox concerns the weak relation of Objective Well-Being to Subjective Well-Being, at the top of the triangle, as presented in Greg Easterbrook’s book *The Progress Paradox*.

To explain this diverse and worldwide set of observations, one key strategy must be to look at the other inputs to well-being, besides income and wealth, and to see their degree of independent importance and the extent to which they may be competitive with market-mediated aspects.

- Many major aspects or determinants of well-being pass outside markets - family, friends, health, recreation, feelings of dignity
• Non-market sources appear more important in general for happiness than are market sources. Amongst the market sources, experiences during work hours or unemployment appear more determinant of personal satisfaction than is the level of income or consumption (see Gasper 2007c and literature cited there).

• Non-market sources of well-being can be competitive with the market-mediated aspects. ‘[Jerome] Segal, [Robert] Lane and others provide [much] evidence that not merely are extra income and consumption sometimes insignificant or very low return routes to Subjective Well-Being, they can undermine or replace more rewarding routes, by undermining some aspects of Objective Well-Being which contribute to Subjective Well-Being, or some of the “other inputs” in Figure [1]; for example by undermining the quality (and quantity) of family life and other personal relationships.’ (Gasper 2005: point C2)

Lane hypothesises, for example, that people become more emotionally vulnerable in face of problems if they live in a society with impoverished personal relationships (2000: 9); and materialism possibly contributes to that impoverishment.

The conceptions of well-being, or flourishing

Systematic thinking about conceptions of well-being took off in an intensive way in the 1980s. Derek Parfit’s book Reasons and Persons highlighted three conceptions:

1 – Well being as Pleasure; this is a Subjective Well-Being conception;
2 – Well being as Preference Fulfilment; and
3 – ‘Objective list’ conceptions of wellbeing, which specify the components for a flourishing life.

Amartya Sen extended this list with three other conceptions:-

4 – Opulence. In reality, instead of measuring pleasure, economists imputed it from the acquisition and control of commodities.

5 – Choice. For similarly, instead of measuring preference fulfilment, economists imputed it from choice: by the axiom of revealed preference whatever one chose was deemed to be what one preferred. Since the axiom is demonstrably wrong, it is better reinterpreted as representing a commitment to the priority of free choice: one’s well-being consists here in choosing freely, including freely making one’s own mistakes.

6 - Considered freedom. There is then space for a conception of well-being as informed free choice, or better, as in Sen’s own position, of well-being as access to outcomes which one has reason to value (the ‘one’ can also refer to a group). ‘Reason’ here covers wise as well as informed decision.

Mainstream economists have thus typically treated well-being as: pleasure, but operationalised as opulence; or secondly, as desire fulfillment, but interpreted as free choice and in practice operationalised again as the value of market transactions; and thus, implicitly, thirdly, well-being has been in effect interpreted as sheer activity—GNP was created as a measure of market activity not of human well-being.

In conventional modern economics, human beings appear as the species homo economicus, ‘economic man’: commodity and comfort seekers, …Their identity is as producers and consumers, no more; their activity is utility maximization... They are
endlessly motivated by the lure of more commodities. The model fits much of life poorly. In reality, although money is frequently a good motivator, it achieves that by offering generalized command over commodities which are desired in important part in the hope of identity, status, novelty, security and other forms of meaning—as business marketers know…[and as] Adam Smith himself stressed… (Hirschman 1977). (Gasper 2004, ch.5: )

In trying to explain capitalism’s frenetic activity, one explanation then is that capitalism channels a range of deeper motives, as perceived by Smith and by the business marketers. A second explanation is a subset of this, and was highlighted by Albert Hirschman from his immersion in the 18th century literature. Capitalism channels the angry passions, the passions that devastated Europe in the 16th and 17th century wars of religion and other civil and international wars. This second explanation is more atavistic – there is a lust for activity, which can have either safe or destructive outlets. A third explanation is systemic: competition is built in, and drives activity. Probably all three explanations are needed. The second is perhaps now least familiar and deserves further attention. It spans a variety of forms, but many have a biological imagery that might better match the term ‘flourishing’ than the term ‘well-being’: people’s fulfilment and destiny is seen to lie in the furies of endeavour, for species, nation, or race. Nietzsche combined perhaps all of these sentiments in his dismissal of utilitarianism: ‘Man does not strive for happiness; only the English do that’ (1998: section 1.9). Man, real Man, strove for mastery, even world mastery.

The lust for activity; when costs become benefits

If activism is something we do not see in economic theory, but induce from economic practice, do we find it expounded and explored in other theory? Yes. We may have to look outside economics in order to explain economy, and use a historically aware conceptualisation of capitalism that incorporates non-capitalist elements, rather than only theorise about capitalism as an abstracted ideal type.

Not long after Nietzsche, and around the same time as his compatriot Max Weber, who spoke in similar tones (see Gasper 2005), an American leader also lauded an arduous ethic:

I wish to preach, not the doctrine of ignoble ease, but the doctrine of the strenuous life, the life of toil and effort, of labor and strife; to preach that highest form of success which comes, not to the man who desires mere easy peace, but to the man who does not shrink from danger, from hardship, or from bitter toil, …

This was Theodore Roosevelt, in an astonishing speech from 1899 under the title: The Strenuous Life. He continued:

A life of slothful ease, a life of that peace which springs merely from lack either of desire or of power to strive after great things, is as little worthy of a nation as of an individual… A mere life of ease is not in the end a very satisfactory life, and, above all, it is a life which ultimately unfits those who follow it for serious work in the world.

Roosevelt attacked those who shrank from military intervention abroad, perhaps because they preferred quiet money making, as being weaklings; but he explicitly welcomed strenuous capitalism as ‘one of the many elements that go to make up true national
greatness’; indeed the more strenuous the better, for this keeps one prepared for the great national and global challenges.

One of Joseph Schumpeter’s striking insights from historically sensitive examination of capitalist societies was that they incorporate major residues of pre-capitalist formations and cultures, and, further, that these can be centrally important. Like Deirdre McCloskey he tended to blame non-capitalist strands for the problematic aspects of capitalist societies, but he was strongly analytically attentive to their presence.

...in Schumpeter’s (1927, 1942, 1951) analyses of capitalist development, ‘true’ capitalism always tended to efficiency, prosperity and the reform and rationalization of its environment. The travail and conflict of early capitalism was due in part [he thought] to the presence of powerful groups derived from precapitalist eras. Likewise, the association of mature capitalism with imperialism and protectionism was not ‘from any tendencies of the competitive system’, i.e. not from ‘true’ capitalism in his opinion, but from its ‘distortion’ by these entrenched precapitalist groups to serve their own financial interests and atavistic ideologies. For Schumpeter this was ‘an historical observation, to his critics it seems a childish trick of definition’ (Stretton, 1969, pp. 119-120). Finally, his predicted decline of capitalism, to be replaced by perhaps less rational and efficient forms of organization, was held again to imply no failing on capitalism’s part but in fact to indicate the magnitude of its successes, such that its inheritors could indulge themselves in some novel and less demanding form of social organization. [For an analysis of Schumpeter’s arguments, see Apthorpe and Gasper (1979), Section 6] (Apthorpe and Gasper, 1982: 655).

The theme of the incorporation of powerful pre-capitalist forces in capitalism is strong in Albert Hirschman’s work too, though in a different way. The market, believed Adam Smith and his contemporaries, had helped to control and replace ‘the passions’ by ‘the interests’. ‘Interests’ were seen as the reasoned variants of some calmer passions, but were accorded a new name to give them a greater acceptability and authority (Hirschman 1977: 28-43; Gasper 2004, ch.5). Thus what animated capitalists’ storms of creative destruction were drives for meanings—for status, novelty and so on—that underlay the drive for economic gain, giving that its never-ending, never-satisfied energy and force in market societies. (Hirschman 1977: 108ff; Gasper 2004).

Romantic and counter-Enlightenment thinkers were not satisfied with this bottling up of the genie of passion in the engine-rooms of the capitalist system. By the late 19th and early 20th centuries, as we have seen, various theorists and leaders returned to a Romantic stance now often fortified with Darwinist philosophy. Georges Sorel, Nietzsche’s near contemporary, was one who gave such leanings eloquent expression. He did so in ways partly similar to Nietzsche and Roosevelt, partly distinctive. In Isaiah Berlin’s words:

‘Sorel was dominated by one *idée maîtresse*: that man is a creator, fulfilled only when he creates… He is, for Sorel, in the first place, a producer who expresses himself in and through his work, an innovator whose activity alters the material provided by nature… History shows that men are essentially seekers not of happiness or peace or knowledge or power over others, or salvation in another...
life—at least these are not men’s primary purposes’ (Berlin 1981: 298-9). Man seeks to fulfil himself ‘in the imposition of his personality on a recalcitrant environment. … Man lives fully only in and by his works, not by passive enjoyment or the peace or security that he might find by surrender to external pressures, or habit, or convention … the true end of human life…[is] the effort to be and do something’ (pp.299-300). ‘Sorel, like Nietzsche, preached the need for a new civilisation of makers and doers’ (327).

Sorel shared the image of a Promethean capitalism, as famously drawn in The Communist Manifesto. From Marx he drew the conception of ‘man as an active being, born to work and create’ (Berlin 1981: 308). ‘Men[‘s] essence, for Sorel, is to be active beings…’ (303). Action is all: not reasoned prediction, which is impossible and also unnecessary since we have an evolved (or experience-gained) intuition (317); the Bergsonian belief in élan vital. Thus unlike Marx, Sorel demanded permanent revolution: we need unending activity, and revolution cleanses (322). Ironically, it is capitalism, history shows, which provides the permanent revolution. Sorel himself was anti-capitalist (304), opposed to the alienations of commodity society; he had, says Berlin, ‘a Jansenist hatred of the twin evils of hedonism and materialism’ (300). Yet he admired the quest for riches as opposed to passivity and contentedness (306), and as exemplified by robust American business barons (307). His ideal was a heroic class of producers, steeled in the furnace of conflict (312). This form of insurgent, vitalist, doer mentality can be part of various ideological stances. Its cult of action, of doers, of rooted men, as opposed to cosmopolitan administrators and manipulators, contained a Fascist potential, reflected in Sorel’s final enthusiasm for Mussolini. One of modern capitalism’s triumphs has been to harness to the games of consumerism the angry avant-garde passions of a Sorel.

As highlighted by Keynes, Hirschman and also McCloskey, much of the actual operation of capitalist businessmen and even consumers can be described not as prudence but as animal spirits (McCloskey: 433). It is strewn with errors, real or apparent. Cost underestimation is endemic.” Some of the underestimation is deliberate, for market society generates incentives to manipulate its own categories, and some can be seen as an outgrowth of activism, as discussed for example in Hirschman’s theory of ‘The Hiding Hand’ (Hirschman 1967; Gasper 1986). The active ‘sinking’ of project costs is one striking aspect. More boldly, in higher levels of policy discourse, costs can become reclassified as benefits, badges of heroic commitment and identity, proof of the indisputable rightness of a commitment; the stigmata of struggle.

The thrust for profits and economic growth under capitalism promotes also, for sure, the personal goals of the rich and powerful.

For example, Part of GDP’s continuing attraction tacitly to national elites is that it also measures power over others: power of governments to acquire weaponry and military capability; and power of elites to acquire property: land, real estate, rivals’ listed companies; the power to be heard, to travel, to communicate; to obtain, vet and disseminate research and information; power to buy control of mass media, and to buy influence more generally (even with legislators, judges, police, and politicians who are in need of or in search of funds). (Gasper 2007d)
To explain the sheer force of this thrust and the way it holds sway across internally diverse societies, we need also the three previously mentioned explanations of capitalism’s frenetic activity: that capitalism channels and harnesses a range of deep motives; that it specifically channels the angry passions and the lust for activity; and that competition is built into the system and forces unending effort. For vitalist thinkers such as Roosevelt, Nietzsche or Weber, influenced by Darwinist conceptions of unending struggles for superiority, this frenetic activity could be seen as both inevitable and desirable.

4. The Paradoxes Of Work

‘There is perhaps nothing more urgent, in a world increasingly driven by multinational corporations and the power motive that is built into their operations, than to articulate a set of humanly rich goals for development, and a set of more general attitudes about the purposes of cooperation…’ (Nussbaum, 2006: 306).

Is work a cost? – When and for whom?

We can contrast this activist strand in capitalist practice, and corners of capitalist theory, with the normal presumption in capitalist society that work is a cost. This was highlighted and queried, you will recall, by the Oxford Dictionary of Sociology. The capitalist’s own time is the expression of exuberant animal spirits, creative and enriching, as befits a master. The capitalist also hires other people’s time, and that time must therefore be considered a cost. And indeed, if that work is alienated work it is likely to feel like a cost.

Yet well-being research, as we saw, suggests that employment is potentially and even frequently a major source of fulfilment. Csikszentmihalyi reports that on average, the people in various studies of American workers and managers in the 1980s had more rewarding experiences at their work than in their leisure. Work provided more occasions where people faced challenges, focused their attention, reached targets, matched their activities with their abilities, and grew as persons. (2002, Ch.7; Csikszentmihalyi & LeFevre 1989)

‘The Paradox of Work’, Csikszentmihalyi reports, is that, despite this, people want more leisure rather than more work (2002: 157ff). He examines first the possible explanation that people are near their limit of energies, but is sceptical about this. Instead, the issue is that work is seen ‘as an imposition, a constraint, an infringement of their freedom, and therefore something to be avoided as much as possible’. So even if ‘the momentary on-the-job experience may be positive, they tend to discount it’ (p.160).

A second paradox: Quality-Of-Life studies consistently show that work and relations with other people are the key determinants of well-being (Csikszentmihalyi 2002:164). ‘Love and work’, as Freud said. Despite this, work remains relatively neglected in
economics, and what I called the capitalist perspective is thoughtlessly spread to new contexts.

McCloskey’s *The Bourgeois Virtues* gives an early affirmation of the bourgeois work ethic: ‘the common element in any bourgeoisie [is] the honoring of work apart from manual drudgery or heroic daring. … bourgeois humans [are] self-defining workers.’ Work is the path to autonomy, identity, and adulthood (p.75). But after these emphatic statements near the beginning of her systematic exposition, McCloskey leaves the subject of work as such untouched for nearly 400 pages. It might be that she has relatively so little to say on work and workers because her book is more about markets than about capitalism as a social order.  

**The tyranny of capitalist accounting categories?**

If consumption were the only end, and if production and exchange were only means to its achievement, certain rules about the optimum conditions of production and exchange could be laid down. The formulation of these rules has been the aim of an important branch of traditional welfare economics. But the disturbing fact is that neither the conditions in which production is carried on, nor the relationships generated by exchange are purely instrumental. They are human conditions, and human relations, which are valued as much as, and in some cases more strongly than, the end of consumption. (Streeten, 1954, p. 365)

Capitalist accounting categories have both virtues and dangers. The capitalist prerogative allocates surplus to a relatively cohesive and capable entity that is typically focused on investment and capital growth. On the other hand, these categories have led us into for example the lunacy of built-in obsolescence. And capitalist market categories and formats have been, and increasingly are, extended from the level of the individual capitalist enterprise into other arenas, including the evaluation of the performance and welfare of entire societies and even the evaluation of community programs. Lifeworlds become invaded by a relatively primitive calculus from the world of business. The principle of discounting, for example, established to order the profit calculations of investors in impersonal markets, has become extended to determine the fundamental societal issue of the relationship between the present generation and future generations.

Let us take an example. In evaluations of community programs, the treatment of volunteer time can be decisive. Howard Richards’s book *The Evaluation of Cultural Action - An Evaluative Study of The Parents and Children Program (PPH)* provides a case study of the key significance of how volunteer time is considered. In the PPH program in rural southern Chile, parents taught their own small children at home, after group meetings in which they themselves learned with the help of a volunteer coordinator and sometimes a paid coordinator. The program used a hypothesis of synergy between the three sets of activities: child education, adult education, and community development. The adult education component had to be left somewhat tacit, to maintain parents’ self-respect and their respect in the eyes of their children; the program was “in order to show our children that we are people” said a program participant (p.19). But from a market perspective, the program was deplorably profligate with its use of parents’ time. They
were put to work in enormous numbers to produce very little, as measured in market terms.

In his Ch.4 Richards asks: Is the PPH program more expensive or less expensive, per child taught, than kindergartens? The comparison is between PPH and a kindergarten in which a group of children receive basic instruction and supervision from a paid instructor. The key question is: Is volunteers’ time a cost? Everything hangs on this. Using a very modest estimate of the money value of volunteers’ time, ‘PPH costs approximately four and a half times as much as kindergarten. … [Whereas] Making the same assumptions except for disregarding the money value of the time of volunteers, kindergartens cost nearly five times as much as PPH’ (p.46).

Richards argues that volunteer time should not be considered as a monetized cost, and suggests that costing it monetarily—as some representatives of large international funders insisted on—is ‘a metaphysical error’ (p.64), an error arising from the basic way one sees the world. As we observed, from employers’ perspective, paid work is a cost; whereas some workers might feel work as a cost, and others might feel it as a benefit. The choice can make an enormous difference in evaluation. Market-dominated thinking, imported into public policy and evaluation, assumes – often without argument – that public policy and evaluation should take the sort of perspective that a capitalist employer has. Table 3 indicates some alternative perspectives.

<table>
<thead>
<tr>
<th>Themes From Richards: The Evaluation Of Cultural Action</th>
<th>AS A COST</th>
<th>AS NEITHER COST NOR BENEFIT</th>
<th>AS A BENEFIT</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>PAID/RECEIVED IN MONEY</td>
<td>E.g., kindergarten teachers’ salaries</td>
<td>E.g., future increased earnings</td>
<td></td>
<td>Economic cost-benefit analysis works at these two levels</td>
</tr>
<tr>
<td>NOT PAID/RECEIVED IN MONEY BUT MEASURED IN MONEY</td>
<td>E.g. (*) “Volunteers’ time, if people are forced to join – a forced duty</td>
<td>E.g. (#) “Volunteers’ time if people join as an accepted duty</td>
<td>E.g., “Volunteers’ time if it is happily donated as a preferred use of time</td>
<td>‘Cost-effectiveness analysis’ works at these three levels</td>
</tr>
<tr>
<td>NON-MONETIZED BUT MEASURED</td>
<td>E.g. (*), if monetization not appropriate. Or, volunteers’ costs in terms of stress and health?</td>
<td>E.g. (#) if monetization not appropriate</td>
<td>Ditto, if monetization not appropriate. Or, volunteers’ benefits in terms of less stress and better health?</td>
<td>Economic cost-benefit analysis works at these two levels</td>
</tr>
<tr>
<td>OTHER (not measured; and presently not measurable)</td>
<td>Some of the other impacts on families and communities</td>
<td>Evaluation must consider also the types of components and effects in this row</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

It may be argued by economists that volunteer time has an opportunity cost, in terms of efforts withheld from activities that would contribute more directly to economic production; or simply that work is pain. But suppose the work is not viewed merely as pain, but as personal growth, as opposed to economic growth; and that the foregone
economic production is of little significance—to the people concerned—compared to the use of their time for interacting with their friends and loved ones. Work and love, said Freud. We should not presume that economic growth is the objective, nor automatically adopt the classification of costs and benefits that would be used by private sector business.

Is perhaps the volunteer’s case a ‘special’ one, whereas in the ‘normal’ case of waged work there would be no danger of overestimating cost, given the expectation that if you enjoy, or cherish, your work you will accept less pay to do it, so that costs will be lower (too). This is true in some vocations – academe or the priesthoods. In places such as Kerala educated young people certainly accept much lower pay in order to avoid the dishonour and disutility of manual labour in the rice field or the brick field as opposed to in the shop or the office.

However, pay is not so flexible: work is largely needed to cover socially-determined subsistence needs, and pay levels are partly set to convey a social status; work enjoyment is not the only determinant of reward. An academic who might willingly work for relatively little is still paid fairly handsomely. Expenditure choices could sometimes be distorted by underestimation of the benefits of work, as well as by the subsequent attempts to massage calculations so as to compensate for the depressing effect on the benefit-cost ratio.

**Rethinking Work**

How can we build-in alternative conceptualizations of work, as part of more adequate approaches to human flourishing? This would be the agenda for another paper. Here I will mention one or two agenda points. The general theme is that work has to be rethought within the framework of well-living: as central to living and central to human flourishing, rather than as a tedious prelude to frenetic consumption.

Two sectors of ‘work’ that are centrally important for thinking about human well-being and flourishing are, of course, domestic work and caring work. Yet such work, key to human fulfilment as well as social reproduction, is liable to be ignored when not commodified. There are vibrant literatures, research programmes and social movements concerned with redirecting and restructuring our attention in these two areas, as well as related broader thinking within feminist and Green circles, querying the categories of exchange economics.

While those areas are vibrant, in the literature on ‘human development’ thinking about work seems still relatively neglected. The potential is there. Manfred Max-Neef, for example, in his theory of ‘Human-Scale Development’ requires attention, for each of a series of life spheres, to dimensions of Having, Doing, and Interacting, and not only of Being. Max-Neef’s work is used by some environmentalist and community development groups, but it remains marginal in influence compared to the work of Amartya Sen. Sen has criticized several major aspects of the conventional economics conceptualization of welfare, but he does not appear to have directly queried the transplantation of market categories to societal decision-making, including the equation of work with cost. His elaboration of the case for a shadow wage, for instance, was
based rather on the instrumentality for increasing net economic product of using lower-than-market wages in public expenditure decision-making. His subsequent discussions of the personal value of employment focus on the increased range of options a person has, in the context of intra-family and intra-group negotiations, rather than on the effects of employment on a person’s skills, self-image or character. This latter direction of analysis might provide a basis for a more adequate critique and an alternative based on developing people rather than capital.

Basing the discussion of ‘human development’ more solidly in the rich and growing work on well-being should be the way ahead. The philosophical literature on well-being, it can be noted, has been as prone to consumer bias as the economics literature. If we take two of the most highly used and praised books from the 1980s and 90s, James Griffin’s *Well-Being* and L.W. Sumner’s *Welfare, Happiness and Ethics*, their indexes make no mention of the topic of work. In contrast, from the empirically based well-being literature Mihaly Csikszentmihalyi’s *Flow*, for example, examines how fulfilment can be promoted in each area of human endeavour. To outline his argument:- Well-being means making experience rewardingly meaningful, whether through restructuring the external situation or restructuring how we experience it. The important elements are: an ordered mind (through the mobilization, steering and focusing of attention), a feeling of control, and a feeling of meaningfulness. Each of these requires skills, and in turn they build an enriched self. Lack of such autonomy is exploited by others, not least the marketing divisions of capitalist corporations. The presence of such autonomy allows, to use Csikszentmihalyi’s term, ‘flow’ – sustained flow of one’s energies in furtherance of one’s goals without distraction or psychic disorder. Changed external conditions alone will not suffice for peace of mind. ‘Enjoyment’ in the sense of more than merely pleasure from fulfilment of biological needs or social expectations comes through exercise of one’s skills in an activity that well matches and stretches one’s skills; that thereby fully absorbs one, through providing a real challenge that is yet manageable; that involves definite goals and direct feedback on progress toward them. The activity should be one that is perceived as independently valuable, not only instrumentally useful. Unfortunately some ‘flow activities’ can be instrumentally damaging: war is one of the great ‘flow’ activities. There are dangers of a focus on activity and work alone, as the possibly impending environmental crisis of capitalism warns us.

Capitalism requires a value transition, we are told: from consumerism [salvation through buying] to a focus instead on Quality Of Life; from individualism to human solidarity; and from domination of nature to ecological sensitivity and stewardship. This is the picture presented for example in *The Great Transition Initiative* work and in the Earth Charter (Kates et al., 2006). It adds further dimensions to the historical scenario presented by Keynes, who sketched a transition beyond the material chase, once that era has completed its work in establishing a basis for comfortable living, to a concern with the contents of living. The same transition is expounded by Deirdre McCloskey’s sparring partner, Arjo Klamer, in his *In Heaven’s Name* (2005). In effect these authors advise that once we have reached the Easterlin plateau, upon which income growth brings no longer any significant benefit in terms of well-being, we need to reorient our societies away from the material chase.
People are misled by ‘hedonistic disconnect’, the idea that they can get sustained happiness directly from things, with affluence not understood as an opportunity-giving platform for experiences beyond it, but instead presumed to be the end itself. Taking the opportunity requires engagement in significant activities and relationships, and also requires [diverse] skills… (Gasper 2007c).

My final point is that motivating such a move away from the material chase may require more than Csikszentmihalyi’s extension of the spirit of the master craftsman into all the activities of living. It may require connecting to the driving passions for action which have powered capitalism; including perhaps – a final agenda point for future examination – by linking also to the spirit of play.

Conclusions

1. Besides asking what is the impact of capitalism on our preferred notions of well-being and human flourishing, we should consider: what ideas of the desirable does the real practice of capitalism represent and encourage?
2. The concept of well-being that has revived in the past generation is a great improvement over the notions of utility or ‘economic welfare’, but the concept of ‘human flourishing’ may be better still. It is more activity and process oriented, and less prone to being reduced to a single supposed essence.
3. Capitalism consists of much more than private property and a market system. It contains what we can call ‘the prerogative of capital’, in which surplus resides with the owners of capital, and ‘the perspective of capital’, in which for example hired work is defined as a cost.
4. (a) Abstracted views of capitalism can insulate it from criticism. Conversely, some abstracted views insulate it from praise. (b) Non-abstracted views of capitalism recognise that capitalist systems are always mixed with other social patterns. Non-abstracted views force us to think hard in evaluation (the clapping-hands attribution problem).
5. There are both political and economic arguments for and against markets. The economics arguments typically make two fundamental assumptions that are open to question: that work is always a cost, and that money income is a major source of well-being.
6. To examine which ideas of the desirable the real practice of capitalism represents and encourages we require historically specific examination, of the sort illustrated by Albert Hirschman.
7. However, in terms of existing predominant theorized conceptions of well-being – pleasure/satisfaction, preference fulfilment, and so on – it may be suggested that capitalism, with its focus on increasing the supply of commodity inputs to being, does not fit any of the conceptions very well. Its motor of unending restless expansion and destruction may better fit an activist, productivist conception of well-being, and/or perhaps a Darwinist model.
8. In trying to explain capitalism’s frenetic activity, one explanation is that capitalism channels a range of deeper motives. A second explanation is a more atavistic subset of this: capitalism channels the angry passions; there is a lust for activity. A third explanation is systemic: competition is built in, and drives activity. A fourth is that particular groups gain particular powers through the whirlwind of activity. All four
explanations seem needed. The second is perhaps now least familiar and deserves further attention.

9. We should contrast (a) the normal presumption in capitalist society that work is a cost, with (b) this activist strand in capitalist practice and corners of capitalist theory and (c) evidence from well-being research that employment is frequently a major source of fulfilment.

10. We should highlight and resist the extension of capitalist accounting categories from the level of the individual capitalist enterprise, to evaluation of the performance and welfare of an entire society and the evaluation of community programs. Besides not presuming that economic output and growth are the prime objectives, we must not automatically adopt the classification of costs and benefits that would be used by private sector business.

11. We need to consider and use implications of the well-being literature for the (re)conceptualisation of work, the reform of our categories of social accounting, and deepening of the work on ‘human development’.

12. Motivating a move beyond the material chase may require more than the extension of the spirit of the master craftsman into all the activities of living. It may require connecting to the driving passions for action which have powered capitalism; including linking also to the spirit of play.
I

THE STRENUOUS LIFE

SPEECH BEFORE THE HAMILTON CLUB,
CHICAGO, APRIL 10, 1899

…I wish to preach, not the doctrine of ignoble ease, but the doctrine of the strenuous life, the life of toil and effort, of labor and strife; to preach that highest form of success which comes, not to the man who desires mere easy peace, but to the man who does not shrink from danger, from hardship, or from bitter toil, and who out of these wins the splendid ultimate triumph.

A life of slothful ease, a life of that peace which springs merely from lack either of desire or of power to strive after great things, is as little worthy of a nation as of an individual… Who among you would teach your boys that ease, that peace, is to be the first consideration in their eyes—to be the ultimate goal after which they strive? … You work yourselves, and you bring up your sons to work. If you are rich and are worth your salt, you will teach your sons that though they may have leisure, it is not to be spent in idleness; … We do not admire the man of timid peace. We admire the man who embodies victorious effort; the man who never wrongs his neighbor, who is prompt to help a friend, but who has those virile qualities necessary to win in the stern strife of actual life. … But if he treats this period of freedom from the need of actual labor as a period, not of preparation, but of mere enjoyment, even though perhaps not of vicious enjoyment, he shows that he is simply a cumberer of the earth's surface, and he surely unfits himself to hold his own with his fellows if the need to do so should again arise. A mere life of ease is not in the end a very satisfactory life, and, above all, it is a life which ultimately unfits those who follow it for serious work in the world. …

We of this generation do not have to face a task such as that our fathers faced, but we have our tasks, and woe to us if we fail to perform them! …sunk in a scrambling commercialism; heedless of the higher life, the life of aspiration, of toil and risk, busying ourselves only with the wants of our bodies for the day, until suddenly we should find, beyond a shadow of question, what China has already found, that in this world the nation that has trained itself to a career of unwarlike and isolated ease is bound, in the end, to go down before other nations which have not lost the manly and adventurous qualities. …

…The timid man, the lazy man, the man who distrusts his country, the over-civilized man, who has lost the great fighting, masterful virtues, the ignorant man, and the man of dull mind, whose soul is incapable of feeling the mighty lift that thrills "stern men with empires in their brains"—all these, of course, shrink from seeing the nation undertake its new duties;… These are the men who fear the strenuous life, who fear the only national life which is really worth leading. They believe in that cloistered life which saps the hardy virtues in a nation, as it saps them in the individual; or else they are wedded to that base spirit of gain and greed which recognizes in commercialism the be-all and end-all of national life, instead of realizing that, though an indispensable element, it is, after all, but one of the many elements that go to make up true national greatness. …
We cannot sit huddled within our own borders and avow ourselves merely an assemblage of well-to-do hucksters who care nothing for what happens beyond. Such a policy would defeat even its own end; for as the nations grow to have ever wider and wider interests, and are brought into closer and closer contact, if we are to hold our own in the struggle for naval and commercial supremacy, we must build up our power without our own borders. …

So much for the commercial side. From the standpoint of international honor the argument is even stronger. … Some stronger, manlier power would have to step in and do the work, and we would have shown ourselves weaklings, unable to carry to successful completion the labors that great and high-spirited nations are eager to undertake. …

In the West Indies and the Philippines alike we are confronted by most difficult problems. It is cowardly to shrink from solving them in the proper way; for solved they must be, if not by us, then by some stronger and more manful race. If we are too weak, too selfish, or too foolish to solve them, some bolder and abler people must undertake the solution. …

… I have scant patience with those who fear to undertake the task of governing the Philippines, and who openly avow that they do fear to undertake it, or that they shrink from it because of the expense and trouble; but I have even scantier patience with those who make a pretense of humanitarianism to hide and cover their timidity, and who cant about "liberty" and the "consent of the governed," in order to excuse themselves for their unwillingness to play the part of men. Their doctrines, if carried out, would make it incumbent upon us to leave the Apaches of Arizona to work out their own salvation, and to decline to interfere in a single Indian reservation. Their doctrines condemn your forefathers and mine for ever having settled in these United States.

… I preach to you, then, my countrymen, that our country calls not for the life of ease but for the life of strenuous endeavor. The twentieth century looms before us big with the fate of many nations. If we stand idly by, if we seek merely swollen, slothful ease and ignoble peace, if we shrink from the hard contests where men must win at hazard of their lives and at the risk of all they hold dear, then the bolder and stronger peoples will pass us by, and will win for themselves the domination of the world. Let us therefore boldly face the life of strife, resolute to do our duty well and manfully; resolute to uphold righteousness by deed and by word; resolute to be both honest and brave, to serve high ideals, yet to use practical methods. Above all, let us shrink from no strife, moral or physical, within or without the nation, provided we are certain that the strife is justified, for it is only through strife, through hard and dangerous endeavor, that we shall ultimately win the goal of true national greatness.
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i See e.g. Fisher (1918).
ii McCloskey’s comments on Africa at various points show considerable ignorance. (E.g.: ‘The Afrikaners of 1910 had no experience of work and no respect for it’ (p. 471.).)
iii A special case of the externalities problem: external benefits exist from which beneficiaries cannot feasibly be excluded (‘free-rider problem’), (potentially) leading to underweighting of benefits.
iv Well-being achievement and well-being freedom in Sen’s senses. Supplementary questions would be: Does it promote agency achievement and agency freedom in Sen’s senses?
v McCloskey cites Bent Flyvberg’s study of costoverruns in transportation projects (p.434). Cf Singh’s similar study on dams in India, and McCloskey’s note on transportation projects in LDCs (435).
vi She returns to the theme only on p.461: ‘only the bourgeoisie thinks of work as a calling’ (true??); and in fact ‘Until the quickening of commerce in bourgeois societies, work except praying and fighting was despised’ (p.470), she adds. Yet on the next page she cites Lester K. Little as saying ‘The ideals of Christian society as formulated in earlier centuries [pre-13th] had come to include high regard for creative work, and so the problem of the legitimacy of the merchant’s activities generally, as well as of the profit he made, turned largely on the question of what he did could properly be considered creative work’ (cited by McCloskey p.462).
vii One interesting example is the work of Genevieve Vaughan; see e.g. Vaughan (1999, n.d.).