



EXECUTIVE SUMMARY

Conference on

“How Much Is Enough? The Economics and Philosophy of the Good Life”

27-28 May 2011
Luxembourg

Introduction

The Luxembourg Institute for European and International Studies (LIEIS) – in association with the Central Service for Statistics and Economic Studies (STATEC) and the Competitiveness Observatory at the Luxembourg Ministry of the Economy and Foreign Trade – convened a conference on a manuscript by Robert and Edward Skidelsky entitled “How Much Is Enough? The Economics and Philosophy of the Good Life”. Held on 27 and 28 May 2011 in Luxembourg, the conference brought together about 25 scholars from Europe and the United States of America. The proceedings were chaired and steered by Dr Armand Clesse, Director of the LIEIS. Each session was briefly introduced by either Robert or Edward Skidelsky.

In his introductory remarks, A. Clesse said that the purpose of the meeting was to have an exchange of views on the main tenets and findings of the manuscript, but also to challenge them and go beyond some of the assumptions and arguments.¹ According to the participants,

¹ In the past the LIEIS has organised similar meetings, for example on manuscripts by David Landes (“The wealth and poverty of nations or why some are so rich and some so poor”) on 26-27 May 1995; Walt Rostow (“World economic perspectives till the year 2050”) on 18-19 October 1996; Andrew Kamarck (“Economics of the twenty-first century”) on 24 April 1998; Charles Kindleberger (“World economic primacy: 1350-1990”) on 17 April 2000; Paul Streeten (“Social capital and globalization”) on 11 May 2001; Angus Maddison (“Growth and interaction in the world economy: The West and the rest, 1000-2000”) on 24-25 May 2002 – all at Harvard University. In addition, other such meetings were held on manuscripts by Christopher Coker (“The decline of the western alliance: a cultural interpretation”) on 20 January 1995 in London; Mancur Olson (“Capitalism, socialism and dictatorship: Outgrowing communist and capitalist dictatorships”) on 12-13 April 1996 in Washington D.C. and 24-25 January 1997 in Luxembourg; William McNeill (“The disruption of traditional forms of nurture in the 20th century”) on 13-14 July 1996 in Luxembourg as well as Immanuel Wallerstein (“The world we are entering: 2000-2050”) on 4-5 June 1999 in Schengen (Luxembourg).

these conferences were intellectually rewarding and almost always led to book publications. The authors integrated a number of ideas discussed at the meetings into their final manuscripts.

Serge Allegrezza, the director of STATEC, said that the Luxembourg Ministry of Economics has had a long-standing interest in the issues raised by Robert and Edward Skidelsky in their manuscript “How Much Is Enough?”. Sometime ago, the STATEC set up a project entitled ‘*PIBien-être*’ (GDP-cum-well-being) that echoes the UN report by Amartya Sen, Joseph Stiglitz and Jean-Paul Fitoussi on alternatives to more traditional indicators such as national output. Linked to this is the question of ‘happiness’ and other, more qualitative dimensions of well-being. All these raise fundamental questions about values, measurements and methodology in relation to public policy. In the case of Luxembourg, this goes beyond government and parliament, as social partners and corporatist structures are concerned with such and similar problems. Indeed, the country’s economic and social council (*Conseil Économique et Social*) has shown a keen interest in fresh perspectives on these matters. For all these and other reasons, the conference on the Skidelsky manuscript is of great academic importance and policy relevance.

This report does not summarise in great detail each chapter of the forthcoming book. Nor does it present the conference proceedings in a purely chronological order. Rather, it seeks to provide an analytical overview of the discussions, in particular points of disagreement and constructive criticism that might help improve the manuscript.

I. Economic growth: finite or infinite?

1. The rationale and tenets of the Skidelsky book

At the outset of the first session, Robert Skidelsky stressed that the manuscript is very much a ‘work in progress’. He began by stating the case for writing such a book. “How Much Is Enough?” is a moral check on our otherwise insatiable wants. This question becomes even more important the closer we get to what the economist Frank Ramsey called ‘bliss’. Indeed, at the point when growth is interrupted (as happens during recessions), the accepted pay-off between work and leisure breaks down, and numerous questions arise as to why we are on the treadmill. The so-called ‘Easterlin paradox’ – that beyond a certain level higher wealth does not lead to greater happiness – is one part of this story.

But why start with Keynes’ essay on ‘The Economic Possibilities for our Grandchildren’, a text first delivered as a lecture in 1928 and published in 1930? Keynes’ basic argument was that within 100 years people would not have to work any longer because the growth in per capita GDP would be so high that the need to earn would be very low. High-tech jobs, so the argument goes, would not just eliminate structural unemployment but also temporary unemployment due to insufficient aggregate demand, as is the case during an economic downturn. According to Keynes, by the year 2030, the economy would “lift mankind to a state of sufficiency” whereby his grandchildren would be 5-8 times better off, with working hours about three hours a day or 15 hours a week. Actual standards of living have gone up in line with Keynes’ predictions, but not working hours. The latter still amount to approximately 40 hours a week.

Two fundamental assumptions underpin Keynes' argument: first, work represents a declining cost and, second, wants are finite. He was right on the former but not on the latter: in conditions of capitalism, there is a satiability of needs but an insatiability of wants. The economist Lionel Robbins spoke of want satisfaction as 'needs satisfaction'. What is clear is that the relational character of consumption is one good explanation for insatiable wants.

However, Keynes' mistake was to assume a fixed stock of satiable wants. That is why "How Much Is Enough?" appeals to the concept of 'the good life', which is a way of reining in wants. That requires a proper account of what the good life is. Cultural and other forms of pluralism might make that endeavour appear pointless, but virtually all civilisations have tended to suggest that wants are satiable. It is only our contemporary Western civilisation that views them as insatiable and privileges the production and consumption of unnecessary goods over above objective, satiable needs.

2. Some key arguments of chapter one

More specifically, chapter one begins by analysing Keynes' forecast that capitalism, sustained by economic growth, would provide the conditions for satisfying mankind's needs and that, as a result, consumption would level off. Linked to this are Keynes' reflections on four key issues: first, the purpose of pursuing wealth and the limits of viewing the accumulation of money as an end itself; second, the tensions between the objective of full employment and prosperity, on the one hand, and sharing the proceeds of progress in a situation of unemployment and low growth on the other; third, the idea of "life after capitalism" at a time when capitalism is in crisis but no viable alternative seems to be forthcoming; fourth, Keynes' prophecy about the economic predicament of the generation of his grandchildren, the "baby boomers".

Specifically, Keynes predicted that technological progress would continue to increase labour productivity to such an extent that average daily work will fall to about 3 hours (15 hours a week or 720 a year, assuming 48 working weeks and 4 weeks of holidays). But according to OECD statistics, the average of yearly working hours is about 1,700-2,000 – more than twice and almost three times longer than Keynes' forecast. In the US and the UK, this average is about 200 hours higher than in most continental European countries. The Dutch work the least in Europe, about 1,400 hours per annum.

However, this is a rather narrow measure, as it ignores the labour participation rate and conceals the difference between full- and part-time work. For instance, the Dutch have a high labour participation rate but also very high levels of voluntary part-time work. As such, the Netherlands have a high rate of voluntary unemployment – perhaps the first case of a post-productivist society that does not fit the categories of neo-classical economists and their neo-liberal successors.

More generally, the chapter examines and rejects Keynes' claim that capitalism can overcome the "purposive" attitude to life – an inability to take pleasure in present benefits except as a means to future gain. As Keynes wrote, the purposive man "does not love his cat, but only his cat's kittens; nor in truth, the kittens, but only the kittens' kittens, and so on forever to the end of cat-dom". By contrast, life after capitalism would see a return to virtue: "We shall once more value ends above means and prefer the good to the useful". In short, the argument of the



first chapter of “How Much Is Enough?” is that Keynes’ prophecy about life after capitalism was wrong but that his appeal to the good life was right.

3. Discussion

Following Robert Skidelsky’s introductory remarks, the discussion focused on five issues: first, the question of working hours, including productivity and the participation rate; second, the changing nature of labour in relation to leisure and income; third, the distinction between needs and wants; fourth, some of the limits of Keynes’ essay.

On the issue of working hours, it was said that happiness might in fact be linked to shorter working hours and lower incomes, as in countries like Greece. Now that the Greek government is raising working hours, is it the case that we are getting it wrong (Anthony Kenny)? Here it is important to distinguish between the short- and the long-term. At the moment, Greece does not have the shortest working hours in eurozone; the Netherlands does and is a more successful model. The question is the actual participation rate, which is low in Greece and high in the Netherlands. Rather than looking at hours spent signing in but doing little, the real issue is about actual work and labour productivity (R. Skidelsky).

The discussion then turned to the question of labour in relation to leisure and income. Karl Polanyi seems to grasp this point better than Keynes: the middle classes work harder in ways that can’t be measured, as the boundaries between work and leisure are blurred. Moreover, the poor have multiple jobs because labour has been commodified and kept low by the collusion of big government and big business (John Milbank). Linked to this is the growing separation of work from consumption. Many individuals and families now have multiple jobs to make ends meet. At the same time, there is the phenomenon of the ‘working rich’ who derive no satisfaction from their profession but work longer hours in order to be able to consume more (Aditya Chakraborty).

In response, it was said that neo-classical economics assumes that more work is more satisfying. However, there is plenty of evidence to suggest that people want to work less, even if that means lower income. In fact, the condition of trade-off between work and leisure is increasingly satisfied in richer countries. If that is the case, then either you wait for a convergence between rich and poor countries or else you focus on efficiency in the short run and talents and abilities in the long run. In other words, preferences for work and leisure are not only a function of the division of labour or of free trade but also of cultural and anthropological factors that go against the capitalist fabrication of desires or the promotion of vices such as greed and other forms of excess, so there is an implicit critique of globalisation in Keynes’ essay (R. Skidelsky).

The third issue that featured in the discussion concerned the distinction between needs and wants. Capitalism assumes that desires are infinite and that notions of the good life are purely subjective. Moreover, only neo-classical economics assumes the scarcity of resources. But if there is some sense of priority and if we can define common goods (an endless discussion according to Aristotle), then scarcity is not an issue. Based on a hierarchy of needs, we can manage scarcity of resources (J. Milbank). Similarly, capitalism is not just wealth generating but also evades metaphysical questions of needs and wants, so that there is no internal limit on the separation of material needs from symbolic meaning (Christian Arnsperger). Finally,

Keynes thought that the problem of scarcity was in the end one of scarcity of effective demand, which is why the essay differs from the General Theory (Gerhard Michael Ambrosi).

In response, the authors of “How Much Is Enough?” stressed the need to distinguish scarcity relative to needs from scarcity relative to wants. While in many countries there is scarcity in terms of needs, in the West there is no such scarcity (Edward Skidelsky). Furthermore, economics is a science of scarcity. As such, there is no contradiction between the essay and the General Theory.

Once scarcity is solved, economics as a science becomes irrelevant. That’s why Keynes says at the end of the essay on grandchildren that he hopes that economists would become as useful as dentists. There are also important differences between Adam Smith and Karl Polanyi that matter for this discussion: the former stresses the natural propensity to truck, barter and exchange and to pursue personal betterment. By contrast, the latter accentuates the coercive system of markets that force people to work longer. Keynes was sympathetic to Polanyi’s point that capitalism deliberately creates markets that are sundered from genuine needs (R. Skidelsky).

Finally, the discussion highlighted a number of limits that characterise Keynes’ essays. Examples include, first, a lack of differentiation in terms of earned and disposable income and also the concentration of poverty, linked to inequality and the stratification of wealth (Adrian Pabst); second, the need to define notions such as ‘bliss’, which are ambiguous – a problem that goes back to the New Testament. While conceding these and other limits in the essay, it is also the case that Keynes was well aware of the ambiguities of bliss – e.g. the bored housewife (E. Skidelsky).

II. Utopia and the Faustian pact

In his introduction to session two, E. Skidelsky explained that Keynes’ post-capitalist utopia is preceded by a period of around one hundred years during which vices such as avarice, usury and precaution are still “our gods”. For they alone “can lead us out of the tunnel of economic necessity into daylight”. In other words, civilisation has struck a Faustian pact with the forces of darkness, trading economic growth and prosperity for real values of fairness and justice. The sources of this Faustian pact are multiple and can be traced to the Judeo-Christian idea of *felix culpa* – the creative force of sin. More recently, 17th-18th century contributions on this theme included Mandeville’s private vice and public virtue and also Smith’s shift from avarice to enlightened self-interest. In literary figures like Goethe, Faust appears as an entrepreneur who does dodgy deals involving individuals’ souls. In Marx, this strand of thinking reaches its utopian apogee, notably the role of science and technology as harbingers of progress and social emancipation. However, the fundamental problem with modern utopia is that we risk forgetting the true meaning of real values and virtues. Linked to this is the question of the socio-economic costs involved in pursuing a utopia that can never be attained.

The discussion revolved around five issues: first, the history of utopian thinking; second, the importance of the Faustian pact for understanding modern economics; third, the origins and evolution of capitalism; fourth, the role of Marx and Marxism; fifth, teleology in Aristotle, Smith and Keynes.



In relation to the first issue, it was said that utopian thinking did not originate with Christianity but could already be found in Greek Antiquity, starting with Plato's *Republic*. The authoritarian or perhaps even totalitarian dimension of utopian visions is present not just in Plato but also in Tommaso Campanella, for example in his work *La Città del Sole* (A. Clesse).

Concerning the second issue (the importance of the Faustian pact for modern economic thought), it was mentioned that one aspect of the Faustian bargain is to re-define vice as virtue (e.g. avarice), but also of virtue as vice (alms giving). For example, during the Irish famine, it was decided not to help in the short run because 'it would make matters worse in the long run'. But the British government economist of the time knew every well what he was doing (A. Kenny). Adam Smith, in his *Theory of Moral Sentiments*, wonders whether it is worth working ever harder and getting ever richer. In the end he concludes that boundless progress is ultimately an illusion. Linked to this is the Stoic idea that evil-doing will be converted into something good by the world *logos*. That conception feeds into Smith's idea of the invisible hand (Mathias Binswanger).

More generally, liberalism is wrongly reduced to utilitarianism, especially in British tradition: from Hobbes onwards (and including Mandeville), the dominant liberal theory of knowledge is inextricably intertwined with empiricism. By contrast with atomised theories in British liberalism, the continental liberal tradition emphasizes human agency and the relational aspect of society. For his part, J.S. Mill was eclectic and tried to combine different traditions but ultimately failed to set out a coherent alternative to the atomism of English liberal thinking (Larry Siedentop). Albert Hirschman's book refers to the late 17th century that was very much a dystopia (corrupt government, tyrannical monarchies, etc.) – to which the answer is not necessarily a utopia but instead a realist alternative (Felix Martin). However, there were also dissenting voices: one does not need the rhetoric or even the metaphor of the Faustian pact to make the point that the total unleashing of self-interest might be problematic. The devil is not an agent, nor is Smith or capitalism. All of this is misleading because it tends to reify human agency (Matt Matravers).

In response to these comments, R. Skidelsky said that Smith departed from Mandeville by arguing that self-love and self-interest are more positive than unmitigated selfishness and private vice. Similarly, Smith understood the costs of division of labour, but thought that it could be overcome by publically provided education. On alms giving, the collective space of Speenhamland in England was opposed on the grounds that it promotes the idleness of the poor. In his remarks, E. Skidelsky said that Anthony Kenny's point has to be included and that even earlier, alms giving changes its meaning: under Calvinist influence, the idea of the 'worthy' and the 'unworthy poor' takes hold and shapes public policy. However, in Smith the Mandevillian element in the *Theory of Moral Sentiments* is repressed in the *Wealth of Nations*. Felix Martin is right to suggest that utopian economics begins later and that Larry Siedentop is also right that the account of "How Much Is Enough?" is shaped by British liberalism.

With respect to the third issue (the origins and evolution of capitalism), the contingency of the capitalist system was emphasised by a number of participants. When we sign a Faustian pact, do we ever know the full terms and conditions? Was capitalism in some sense forced upon us? Is the optimism in the final chapter of "How Much Is Enough?" justified in the light of this

and the phenomenon of path dependency? (Guy Kirsch). The Skidelsky manuscript is right about the Faustian bargain, but fails to ask the question as whether we did ever have to strike it. Could we no have done otherwise? Such and similar questions were never properly addressed by either Marx or Keynes. Looking at both China and much of the West, there is growing historical evidence to suggest that capitalism in general and the current models in particular are bringing about something like hell (J. Milbank)

Crucially, the capitalism that has happened did not need to happen and occurred for highly contingent reasons, as evinced by the work of Robert Brenner on the surplus capital extracted from agriculture and channelled into non-reciprocal piratical trade via London-based merchants. Moreover, economic transactions for amoral or even positively immoral reasons (Boisguilbert, Nicole, Smith) combine both specific Calvinist and Stoic influences that were opposed by most Catholic thinkers. It is equally clear that the idea and reality of a ‘civil economy’ embedding markets within the civic bonds of civil society and its intermediary institutions is much more transformative than either central planning or free-market fundamentalism or a Keynesian-style social market economy (J. Milbank).

On the fourth issue (the role of Marx), it was claimed that the work of Marx can help us understand capitalism even more than the Skidelsky book suggests. By contrast with the atomistic vision of English economic liberalism and classical political economy, Marx argued that everything is ultimately relational: capital(ism) is a set of social relations, as is the state. As such, harmony with nature is part of the relations underpinning society, not outside society (Ulrich Brand). In fact, the word ‘capitalism’ was coined and popularised not by Marx but by Werner Sombart whose book (*Der moderne Kapitalismus. Historisch-systematische Darstellung des gesamteuropäischen Wirtschaftslebens von seinen Anfängen bis zur Gegenwart*, 1928) has still not been translated into English (Henryk Szlajfer). R. Skidelsky acknowledged these comments, saying that Marx is a much more impressive social theorist than it was perhaps thought during the times of Soviet Communism. Marx’s influence on Marcuse is key, which in turn has shaped much of critical theory and is akin to Keynes’ thinking on the alienating effects of capitalism.

Fifth and finally, it was argued that Smith, like Keynes, only half rejects Mandeville because Smith separates instrumental from non-instrumental motivations and views the market as a morally neutral zone. The problem is that this separation risks introducing a residually utilitarian logic into market production and exchange, reducing happiness to a purely subjective notion. In turn, that sunders the logic of contract from the logic of gratuitousness or free giving, which in most human cultures and societies is an integral part of the economy (not just limited to households and localities but also extending to guilds and associations). As such, Keynes fails to overcome the dualism bequeathed by Smith. By contrast, the tradition of civil economy views gift exchange as central to the market. Linked to this is an accentuation of the transcendent good (in both Plato and Aristotle) that not only directs human desire to the pursuit of common public happiness (in terms of final causality) but also infuses human agency with a sense of goodness (in terms of efficient causality). Smith and Keynes, on the contrary, see the good as largely a function of individual taste and personal preference (A. Pabst).

In response, E. Skidelsky insisted that the metaphor is not about two agents but about the licensing of certain motives. As such, it captures the idea that once released those forces

cannot be easily contained. More specifically, in relation to Adrian Pabst's remarks, the good is contemplative and action is instrumental for Keynes, but not for Aristotle. Did capitalism need to happen (J. Milbank)? No, but we are stuck with it – to which Milbank responded that the myth of necessity has real consequences and therefore needs to be challenged.

In his concluding remarks at the end of session two, R. Skidelsky said that the Faustian pact *is* a literary metaphor: in Goethe, the devil stirs up humanity. There are in fact two pacts: God's pact with the devil and the devil's pact with Faust. In Marx, the devil is capitalism: the system is not only morally wrong but also bound to fail (here Ulrich Brand interjected that in Marx, the agent of the devil is the bourgeoisie). Finally, in relation to Larry Siedentop's point, utilitarianism has been dominant in England (and the USA) since the 18th century. Moreover, Keynes and his fellow Anglo-Saxon economists dismissed much of continental thinking as not being properly economic. That is one of the reasons why Anglo-Saxon countries do not understand the success of economies in continental Europe. This raises fundamental questions about the relation between conventional economics and understanding reality.

III. Philosophers and the good life

E. Skidelsky introduced session three by suggesting that notions of the good life are needed to know what is enough. In turn, notions of the good life include conceptions of goods, which have also use value – though perhaps not pure exchange value. Use value is heterogeneous, whereas exchange value is homogenous. In Aristotle, the proper function of the good life is to acquire wealth in order to satisfy needs and form a proper household. Thus, prosperity is not maximised in its own right but as a means to achieve certain goods internal to activities and thereby also to pursue the good life.

Unlike modernity, neither Antiquity nor the Middle Ages divorced money from symbolic meaning or substantive notions of the good. Nor did they posit an insatiability of wants. The primacy of *telos* is not confined to Aristotle and his influence in the Middle Ages but extends to the three-ends teaching in Buddhism and other intellectual traditions. For example, in China, there are similar structures of thought: while there is no prohibition on usury, the emphasis is on the idea of service to the state, not to the individual alone. However, throughout the modern age, notions of the good life have disappeared from both public discourse and academic research. This has coincided, first, with the decline of religious beliefs and the rise of multiculturalism and, second, with a growing emphasis in economics on subjective values (or subjectivist conception of value).

The discussion in session three focused on the following aspects: first, some key concepts in relation to the notion of the good life; second, a discussion on Buddhism and Hinduism; third, notions of the common good and the role of education.

On the issue of key concepts in relation to the good life, it was suggested that there is a distinction in Aristotle which he gets from Plato, namely between intrinsic goods and competitive goods. Linked to this is the idea that intellectual life is non-competitive and non-exclusive. By contrast, material life is both competitive and exclusive. As such, Aristotle seems to separate happiness altogether from the competitive goods of material life. Another key concept is that of usury: was Thomas Aquinas right to rule it out? (A. Kenny). There was

also a discussion about the intellectual origins of the notion of the good life not just in the aristocratic vision of ancient Greece but also the ecclesial vision of patristic and medieval Christianity – of which modern ideologies like social democracy seem to be offshoots (Isabelle Cassiers). Closely connected with conceptions of the good is the practice of virtue, which is itself the middle way between extremes: for example, courage is the middle way between recklessness and cowardice. Similarly, self-interest and interest for the other is a middle way between egoism and altruism (G. M. Ambrosi).

In response, E. Skidelsky argued that rights are not fundamental in most traditions of moral or political theory. At the same time, virtue is not just ‘other regarding’ but concerns the self and the cosmos. Crucially, Aristotle’s idealised intellectual life does not resonate with contemporary ideas of competition. In his remarks, R. Skidelsky said that Keynes supported the medieval laws on usury conceptually in terms of opportunity costs (not unlike liquidity preference). Keynes was opposed to usury because he believed that it was economically inefficient and morally wrong.

The discussion then turned to Buddhism and Hinduism. In the Buddhist tradition, happiness is a function of consumption, labour and the absence of suffering. One central question for Buddhism is how the liberation from the desire of consumption transforms the understanding of happiness and the reality of individual and collective behaviour (Serge-Christophe Kolm). In Hinduism, the notion of dharma is related to the idea of higher obligations. More specifically, dharma surtra was not static but evolved over time; it was embraced and transformed by believers and the communities they inhabited. The main insight of Jainism is that there is more to life than material wealth. This has important implications for the balance between work and leisure. What matters are not primarily economic structures or social arrangements but more fundamental issues of ethical principles and practices (A. Chakraborty).

This triggered a short but lively debate. E. Skidelsky argued that both Buddhism and Hinduism call in different ways for the individual liberation from the world of desire. As such, there are no equivalents in either tradition of Ancient Greek universal ethical ideas that apply to the polis as a whole or the entire cosmos. A. Chakraborty contended that Hinduism is much more communal because it is about subordinating yourself to the community and within each community to those who are superior – not just in terms of hereditary caste but also in terms of excellence and distinction. Moreover, some comparisons with Western traditions lead down blind alleys because there’s no single canonical text in the Hindu tradition. On a different note, it is interesting that Amartya Sen’s father K.N. Sen wrote a short book on Hinduism that touches on both economics and politics.

The third and final part of session three focused on the importance of the ‘good life’ and education in contemporary philosophy and politics. Some claimed that the good life is still subject to academic research and public discourse. What has disappeared however is a shared, state-sponsored, single conception of the common good. That is why John Rawls’ repudiation of metaphysics in politics is so significant: he shows that in a situation of value pluralism, there is no overarching account of the common good. Goods are political, not metaphysical, and they are individual rather than collective (M. Matravers).

Others rejected this conception, arguing that Rawls' dismissal of metaphysics in politics is itself a metaphysical gesture that betrays a residually Kantian preference for transcendental ontology in lieu of metaphysical theism. Linked to this is Rawls' questionable assertion that his variant of political liberalism is universal precisely because it replaces the notion of a common substantive good with a procedural, formalist account of justice as fairness. That account of justice is grounded in an abstraction from particularity, which embodies universality. To abstract from particularity is a metaphysical gesture in favour of a vacuous generality that is nominalist and voluntarist – based on universals in the mind (not in things) and based on the primacy of the will over the intellect (although this reading of Rawls was contested by M. Matravers). By contrast with Rawls, non-liberal conceptions that stress metaphysical relationality and the self-diffusion of the Good suggest that the common good is substantive and that it is present in all things in varying degrees (A. Pabst).

Moreover, substantive notions of the common good are neither the result of *a priori* knowledge based on innate ideas (as for the rationalism of Descartes) nor the outcome of *a posteriori* experience (as for the empiricism of Locke) but in fact a matter of continuous education. This idea goes back to Plato's *Meno* where recollection and the paradoxical desire for something that we don't as yet know play a crucial role. For Plato as for Christian Neo-Platonists, the transcendent, universal Good elicits our desire and directs both our cognition and our action to immanent, particular goods. Thus, knowledge of the transcendent good translates into knowledge of common good in politics. Here the legacy of Platonism is ultimately about wisdom versus sophistry, and the latter includes Rawls. Without wisdom, politics is little more than sophistry and criminal oligarchs – not even Kant or Rawls can save liberalism from nihilism (J. Milbank).

Interestingly, 80-100 years ago, neo-classical economists were part of a wider group of thinkers (in Austria, Sweden and elsewhere) who argued for a certain vision: rising incomes required education in order for people to lead the good life. It was only subsequently that economics abandoned this ambition and focused instead on utility functions, which are treated as just given. But over time this has resulted in a cultural race to the bottom that has had wide-ranging social and economic implications. So when Keynes wrote his essay, he never imagined that the bourgeois culture would give way to a more impoverished culture that was more marginal at that time (Axel Leijonhufvud).

In addition, rights matter and contain values and norms that in the end express a vision of the good life. As such, there are no substantive visions of the good life that exceed pure legal proceduralism. Indeed, to elevate abstract form over moral content does not chide with common experience. At the same time, there are forces that disrupt our natural desire for moral behaviour and perhaps even goodness. In the case of money and usury, there is perhaps a teleology about the good life but the free circulation of money without ethical limits is getting in the way (F. Martin).

R. Skidelsky concluded session three by saying that traditional social democracy was not interested in substantive, ethical questions – including the way we treat our natural environment. For example, Anthony Crossland's critique that this was a middle-class concern to cut off the ladder on which the working class was trying to rise. Economists like Pigou, by contrast, were interested in education. In relation to the common good, "How Much Is

Enough?” is a response to some deficiencies of public discourse, also identified by figures such as Michael Sandel in his 2009 BBC Reith Lectures on justice and the good.

IV. The seduction of happiness

The first part of session four consisted in a presentation of *PIBien-être*, a project led by STATEC about alternatives to the conventional measure of GDP. The second part focused on the concept and measurability of happiness and the good life.

1. Project *PIBien-être*

In his presentation, Daniel Byk explained that the aim of this project was to come up with measures of well-being beyond GDP. Like other continental European countries, Luxembourg has a system of institutional social dialogue whereby the social partners and organisations are dedicated to sustainable development and shared prosperity. Now the challenge is to bring together the three pillars of sustainable development (economy, ecology and society) and secure or enhance the quality of life. STATEC has organised a series of workshops with a high level of participation and interest in indicators of well-being and happiness. No modelling has been undertaken but the work so far has focused on the experience and accounts from other countries.

One preliminary result is that populations across Europe express their expectations about well-being, not in terms of economic policy but rather in terms of standards of life. STATEC has not sought to initiate or lead a debate on what well-being, happiness and the good life might be for society. That is because there are intense discussions and disagreements, especially among social partners. Instead, STATEC has favoured empirical work on indicators and measures. However, there is an interesting paradox: just as there is a decline of the West in general and Europe in particular, the rising East is sharing the values that the West cannot – or does not – any longer support and defend. This seems particularly true for the desire for broader individual freedom (Some of the work of this project can be found on the website of Luxembourg’s Economic and Social Council, <http://www.ces.etat.lu>).

In the short discussion that followed the presentation, the following questions were raised: first, why does the project speak of growth models or paradigms? Second, what weights were attached to certain preferences (I. Cassiers)? Third, what about constraints? How to define them (Alfred Steinherr)? D. Byk replied that the growth paradigm is the dominant one and that it is the baseline for much of academic research and public policy debate. As such, it is not a matter of right or wrong. In this project, the main choice was between the single index of the OECD and the model of the scoreboard. As for constraints, the project applied no income constraint but instead merely used a very basic constraint in terms of freedom of life. For example, the city of Ramallah has severe security constraints, defined in terms of the capacity of travelling from one city to the other. The project seeks to start with peoples’ priorities and then identity constraints, rather than using pre-defined constraints.

2. Beyond ‘Happiness economics’

In his introductory remarks, E. Skidelsky suggested that, broadly speaking, economics had seen a change from objective to subjectivist accounts of happiness, with a major shift in the 17th and 18th century. Much more recently, a lot of research has focused on the Easterlin paradox – that increases in wealth and income do not raise the level of happiness in linear ways. Chapter 4 of “How Much Is Enough?” sets out a critique of happiness economics on two accounts. First, that happiness is measurable and, second, that the dominant conceptions of happiness are tenable. On the issue of measurability, the argument is that numerical scales raise questions about what exactly numbers really mean. Much of ‘happiness economics’ also presupposes that people are honest about their scores. Of course it is true that self-reported happiness can be correlated with various objective measures (stable marriage, having a job, etc.), but that in itself raises philosophical questions which happiness economists often evade. The issue of what happiness means concerns the possibility of using synonyms and the translatability of concepts into other cultures. ‘Happiness economists’ deny any systematic biases but can we really rule them out? Indeed, the classical Benthamite conception of happiness is deeply questionable because it reduces felicity to a subjectivist ‘state of mind’. But surely happiness has an object (something which you are happy about). Thus, happiness is good to the extent that you have good reasons to be happy.

The discussion revolved around two issues: first, the measurability of happiness; second, rival conceptions of happiness.

On measurability, some participants suggested that the authors of “How Much Is Enough?” use the term ‘measure’ hastily. What exactly is meant? Measurable? ‘Averageable’? Addable? Ordinal? Or cardinal (S.-C. Kolm)? Others said that happiness is not an ordinal but rather a cardinal measure and therefore not quasi synonymous with utility. Insofar as happiness is correlated with revealed preferences that are subject to empirical observations, happiness can in fact be measured (A. Steinherr). Other participants acknowledged that the arguments advanced in “How Much Is Enough?” question much of the happiness literature and decades of economic research. However, surveys over time and across space are not purely random, they do raise some serious points. The claim about the total non-measurability of happiness undermines the persuasiveness of the book: in the final chapter the authors offer indicators that are partially – if imperfectly – measurable (S. Allegrezza).

More specifically, there are close, empirically verifiable correlations between subjective happiness or well-being, on the one hand, and objective phenomena such as unemployment or poverty, on the other hand. By using cost-benefit analysis and measures of utility, happiness economics can make a significant contribution. Trust and other such interpersonal factors are notoriously difficult to conceptualise or measure but they concern happiness and the good life too (Charles Kenny). Put briefly, happiness is part of the good life. For example, there is evidence to suggest that religious people are on average happier because they have found greater meaning and their belief and practice give rise to a precise idea of the good life. At the same time, everything we can observe is utility-maximising, so there are ways of measuring happiness that do reflect subjective states of mind (M. Binswanger).

The trouble is that felicity is much trickier than the suggestion that divorce and unemployment necessarily diminish our happiness. Moreover, it seems to be true that the good life is more

social and less individualistic than happiness (I. Cassiers). The other problem is that in all forms of measurement, gross figures are problematic because they include the depreciation and overhead costs. On this and other related questions, it is worth considering the work of Leopold Kor who was the mentor of E.F. Schumacher (G.M. Ambrosi). It was also suggested that happiness can perhaps be conceptualised, analysed and measured in terms of dependent and independent variable. That could provide a rigorous analytical framework and also enable some empirical research (A. Clesse).

But is it really the case that happiness questionnaires or surveys are meaningless? Conceptually speaking, such exercises may be considered either useless or worthless, i.e. either superfluous or in some sense heretical. When you love someone, you tell them from time to time. It is not enough to show ‘all the other signs’, otherwise the charge of hypocrisy might well be warranted (A. Kenny). This provided the transition to the second issue – rival conceptions of happiness.

There was widespread agreement among the participants that economics needs to rescue the concept of happiness from Bentham. Three elements are key: first, contentment; second, well-being; third, dignity. In different ways, all three elements are closely connected with the notion of the ‘good life’. Thus, it is crucial to link happiness even more strongly to the good life than the manuscript currently suggests (A. Kenny). Moreover, it is crucial to consider all the aspects of happiness. Here it is instructive to draw on a short anecdote: in the 1960s, France’s planning commission asked what the objective of its work should be? According to de Gaulle, the aim should be ‘la grandeur de la France’. Some wondered, why not ‘le bonheur des Français?’ The General’s response was simple: ‘Les Français sont heureux quand la France est grande’! What this underscores is the collective dimension of happiness (S.-C. Kolm).

In terms of rival conceptions of happiness and the good life, there are constitutional guarantees in some parts of the world such as Latin America (e.g. Bolivia and Ecuador) to ‘provide means to lead a good life’. Those guarantees draw on indigenous traditions, which should not be romanticised but nevertheless be taken seriously. All these points highlight the importance of structural factors and power relations. Linked to this is a more nuanced account of the state whereby the actual practices of the state are neither demonised nor idealised but seen as essential to individual and collective happiness (U. Brand).

Responding to these comments, E. Skidelsky reported that in happiness surveys, a kind of hedonic ‘rat race’ replaces the conventional economic ‘rat race’, as Pascal Bruckner has described it. For this and other reasons, the ultimate criterion must be the context and behaviour of individuals and groups – not some abstract rules, as in much of happiness research. Bernard Williams is right about contentment but it needs to be related to objects (e.g. not celebrating degrading work). For R. Skidelsky, the question is what the conditions for happy states of mind are and how these can be correlated with certain measurable indicators. More fundamentally, should happiness be a basic good? According to him, since happiness is not a separate end in itself, it cannot be fully measurable. In fact, measurability implies an economizing move, a sort of Ockham’s razor whereby everything is subsumed under one thing.

Clearly happiness has both quantitative and qualitative aspects. For these and other reasons, it cannot ultimately be rescued from Benthamite idiom. What is required is an alternative approach that is grounded in a non-utilitarian tradition such as Aristotle's thinking on the good life. Moreover, any attempted measurement of the good life implies some kind of objectivity. By contrast, concepts such as utility are constitutively limited because rational utility maximisation assumes that we can aggregate individual utility. Thus, chapter four is not redundant at all. On the contrary, it is a frontal attack on one of the key assumptions of subjective utility analysis that matters significantly for both academic research and economic and social policy-making.

V. Elements of the good life

1. The good life and basic goods

As E. Skidelsky suggested at the start of session five, the good life is more than what people want, but 'wants' cannot be totally separate from ideas of the good life. But how there can be a single conception amid so many diverging and perhaps conflictual moral values? Here the first point to make is that moral difference and diversity is not an argument for moral relativism. Second, the limited – not infinite – variety of moral decisions suggests that there are some commonalities among radically different and partly mutually exclusive moral positions. Third, linked to this is the possibility to identify a series of goods over time and across space. Fourth, the existing literature centres either on John Rawls' concept of 'primary goods' (i.e. pre-conditions for individual autonomy) or on the notion of capabilities (as developed by Amartya Sen and Martha Nussbaum). Capabilities are more specific than primary goods.

However, both focus on power and means, not ends. In different ways, both Rawls and Sen/Nussbaum argue that the state should not be dictatorial about ends. However, the argument of "How Much Is Enough?" is that certain goods can be identified and promoted as conducive to the good life. Is such a position paternalistic? In a sense yes, but here one should not forget that many liberal states have laws that promote certain goods (e.g. against pornography, in favour of equality, against smoking in public, etc.). Since autonomy is a basic good, Stalinist methods are ruled out but other tools can be used (including taxation).

The basic goods identified by the authors have four criteria of inclusion: first, they are universal; second, they are final (not intermediate or instrumental); third, they are *sui generis* (not part of other goods); fourth, they are indispensable (without them people lack something crucial that undermines or even prevents the pursuit of the good life). Which goods satisfy these conditions? Chapter five of "How Much Is Enough?" lists the following:

- (i) health (not just contingent on culture or demand-relative sense)
- (ii) security
- (iii) respect
- (iv) personality (including property) – a good derived from Catholic social teaching
- (v) harmony with nature (in part against ideas associated with 'deep ecology')

(vi) friendship

(vii) leisure – an ethical understanding that emphasises living life

In this light, economic growth should not be seen as a primary focus but as a useful side effect or side product of securing these basic goods.

2. Discussion

The discussion centred on three main questions: first, teleology and the link between ethics and nature; second, the importance of economic growth; third, basic goods, the good life and the economy.

On teleology, it was argued that a teleological ethics tends to link human nature to the world as a whole. At the same time, there are potential tensions between universalism and absolutism: how can we posit universal purposes without however imposing an absolutist conception that is at odds with freedom and other principles (L. Siedentop)? Isn't there a danger that the focus on human nature comes at the expense of a wider ecology that has been neglected by both left- and right-wing thinkers for so long? Moreover, human beings need to shift their viewpoint and see themselves as an inherent part of a complex ecology (albeit with the unique faculty of self-consciousness). The term 'harmony with nature' used in the Skidelsky manuscript still allows people to see themselves as somehow outside of nature. This shift of view is an ethical question between ourselves and our contemporaries, and between our generation and later ones. It is so because of, first, absolute scarcity of natural resources and, second, the sustainability of life, including human life (Andrew Hallan).

However, other participants took a different line. The task is to redefine wealth as the pursuit of the valuable by the valiant. Against certain forms of environmentalism, it has to be argued that economic growth is good and positive. Without growth, it won't be possible to reduce poverty and inequality or to deal with the ecological catastrophe brought about by unregulated markets and tyrannical states. What is interesting is that "How Much Is Enough?" seeks to chart an alternative to deep ecology and secular humanism – but does the book have a thick enough metaphysics? The point is that deep ecology reduces us to being a mere part of a system that posits a strict equivalence and fails to differentiate, thus denying the hierarchy within the cosmos. Likewise, secular humanism, which goes back to a fusion of Gnostic and Cartesian philosophy, opposed human artifice to given nature and thereby introduces a dualism between nature and culture that is alien to Antiquity and the Middle Ages. Only the Judeo-Christian doctrine of creation overcomes both the monism of deep ecology and the dualism of secular humanist thinking. According to the metaphysics of creation, human beings are intended but also part of a wider reality that reflects in varying different degrees the glory of the creator (J. Milbank).

Here a brief discussion developed on contemporary debates about ecology and the importance of economic growth. Among the most controversial critiques are that of eco-fascism, which the French philosopher Luc Ferry has levelled against Hans Jonas, Scheler and Heidegger (A. Clesse). "Natural Goodness", a book by Philippa Foot, is radically anti-Kantian (as in the case of Luc Ferry) but the third way is one of hierarchy, not equivalence (J. Milbank). Interestingly, the emphasis on hierarchical ordering of needs and desires has also been



prominent in psychology and cognate disciplines, as the work of Abraham Maslow on the hierarchy of needs in his 1943 paper ‘A Theory of Human Motivation’ shows ([C. Kenny](#)).

In his response to these points about teleology and ecology, [E. Skidelsky](#) said that the concept of nature – as deployed in “How Much Is Enough?” – is not some external reality. Rather, human nature is always already ethical because it is part of a wider reality. Indeed, the idea of harmony with nature, which is central to a variety of traditions in both East and West, emphasizes relations with the natural world, which is itself a human good. Far from being some kind of intellectual snobbery, this approach seeks to draw on the wisdom of different religions and other traditions. At the same time, respect for nature is not anti-humanist. Essentially, the account of the relationship with nature draws on German Romanticism, e.g. Schelling’s idea of man as nature’s shepherd. However, no Abrahamic doctrine of creation is required, just a certain humanism as in Confucian thinking. Indeed, the book speaks to a folk or implicit metaphysics that does not need a full, doctrinal development (“natural goodness”).

On the second issue (economic growth), other participants argued that the question of economic growth is connected with life after capitalism, as Keynes put it. Growth can be relegated but remains central to the analysis, including what kind of growth is needed to bring about a post-capitalist dispensation. But what is the time horizon of the argument? Two-thirds of humanity ‘worship’ growth and China’s catch-up with the West shows little sign of ending ([H. Szlajfer](#)). Growth is indeed the most controversial question: in the book’s argument, it is endogenous and slow but this is questionable, as Jackson’s book *Prosperity without growth* shows ([S. Allegranza](#))

[R. Skidelsky](#) replied by stating clearly that the book does not embrace an anti-growth agenda, as the authors agree with Adair Turner on the need to boost growth and promote an economic system that is socially useful. At the same time, economic growth is not the goal. Rather, the issue is about how to redistribute away from private consumption towards public goods. As such, the book is not treating nature as instrumental and Promethean. But nor is the book part of the post-productivist argument. Both Marx and Keynes argued in different ways that capitalism had a historical function in producing sufficient capital but that it was merely one historical stage in the evolution of economic systems. It is true that development has been uneven, with capital abundance in some parts of the world and shortage in others. It is equally true that Keynes laid down a period of 100 years for his prophecy but history has got in the way (wars, financial crises, etc.). More fundamentally, some types of growth are more cancerous on basic goods than others, so changes in aggregate measures like GDP won’t capture it. Only fresh thinking on the good life can deliver the real change that is required.

On the third issue about basic goods, it was suggested that the book’s argument in favour of the good life and basic goods requires an account of the common good in which all can potentially share. Aristotle’s politics and ethics provide some of the conceptual resources, starting with the conception of justice as reciprocity. By linking citizens to one another in terms of mutual rights and reciprocal duties, justice is the “bond of men in states” and the ordering principle in the polity. Linked to this is Aristotle’s emphasis on the common good, which binds together all particular goods. This, in turn, suggests that all goods are to varying degrees relational. As a result, the liberal opposition of private and public goods is questionable, grounded as it is in a dubious dialectic of the individual and the collective. Moreover, capitalism strips things of their participation in goodness by reducing everything to

tradable commodities. As such, the capitalist logic is to sunder material value from symbolic meaning, subordinating the sanctity of life and land to the quasi-sacrality of the market-state (A. Pabst).

Other participants took issue with different aspects, saying that the authors focus on a group conception of shared activity. The problem is that such conceptions of value give rise to conflict (or cooperation). Only an account of the good can potentially mediate conflicts and direct human action to cooperation. All this raises one fundamental question: what is the status of the good? At times, the manuscript reads like G.E. Moore in making ungrounded claims about what is “obviously” good (M. Matravers). According to some, it is good that the Skidelsky book does not hide behind metaphysical concepts but instead sets out a list of goods. There is a dialectical relationship between metaphysical sophistication and a potentially banal list of goods, but that’s an endemic problem (M. Binswanger).

There were also questions about the list of basic goods and the sub-list of subordinate goods, but what are the indicators? Basic goods come with subordinate conditions such as property that has to be more equally distributed. This brings us back to the question of measurement: how to improve the measure of GDP (S. Allegrezza)? Others argued that the education should be added to the list of basic goods and that leisure is confusing: it could be either culture or some form of entertainment or even debased spectacle (Monique Borsenberger). Moreover, there seems to be an axiomatic link between the seven basic goods and the proposed policies. But that does not resolve potential implications such as the need for a coercive state to bring about the conditions for the good life and the provision of these basic goods. Nor is it clear how to finance the basic income in fair, efficient ways. What about intolerable burdens of central taxation (C. Arnsperger)? There seems to be an ambiguity running through the book: work sharing could end in no one working at all but just living on basic income (A. Kenny).

Yet other participants wondered whether the line of argument taken in the book is not specifically – and perhaps excessively – cultural-bound? The conception of goods still seems to be individualistic. Even references to friendship cannot mask the meta-individualism that underpins “How Much Is Enough?”. By contrast, Japanese notions of the good combine collective joy with the joy of members. Moreover, we need to think about cultures and civilisations in the plural, not just about inter-individual aspects. Would not reason and rationality be an end and also a means to everything else (S.-C. Kolm)?

VI. Where do we go from here?

In his introductory remarks to the final session, R. Skidelsky linked the overarching argument to wider conclusions. He began by saying that much of classical, modern economics treats resources as inherently and permanently scarce but that’s not true. If you assume scarcity of resources and insatiability of infinite wants, then you don’t escape the treadmill of growth. The book assumes the opposite: first of all, material conditions must be geared towards the maximisation of basic goods; second, we need a change of consciousness, based on a metaphysical intuition of mankind in relation to nature; third, what is required is to view long-term enlightened self-interest as the interest of the collectivity.

What does this mean for the dominant ideology of social liberalism? It has had many ups and downs, but its intellectual foundations can be traced to the following three traditions: first, Catholic social theory, of which the social market is a secular variant; second, Protestant social theory that shaped the welfare state; third, social democracy adds egalitarianism to the last two traditions. The problem is that social liberalism was followed by individual, atomistic liberalism, which has a non-paternalist outlook, focuses on growth and is non-judgemental about moral choices. But decisions disguised by supposedly neutral language cannot mask the fact that atomistic liberalism promotes utilitarian policies. By contrast, the book proposes to restate the case for social liberalism, starting with the argument that taxation on ‘sin goods’ like smoking is about opposing negative externalities that people impose on themselves and on others. In other words, the book advocates a non-coercive form of paternalism as opposed to the hidden state paternalism.

More specifically, on individual policies, the book makes proposals about taxing certain goods, e.g. a tax on advertising because there is a difference between information and creating desire (or better ‘inflaming’ desires). There are also fundamental questions about distribution of work. Linked to this is the proposal for a basic income (either a lump-sum or a guaranteed stream of income). It is clear that redistribution cannot deal with stagnation of median income, so therefore growth is needed but it should not be the objective of policy. There are also international implications: many developing countries pursue export-oriented growth and that generates imbalances which are a source of instability, R. Skidelsky concluded.

The discussion focused on four issues: first, the role of the state in general and the importance of education in particular; second, the European and international dimension of the proposed policies; third, the role of civil society and businesses with a social purpose; fourth, alternative economic arrangements.

On the state, it was suggested that the challenge is to design state action that involves paternalism without coercion. Part-time employment and job-sharing won’t resolve the problem of finite resources and rising populations worldwide. As a result, the end-of-scarcity message should be avoided. The good life does not depend on repudiating the scarcity thesis that was developed in modern economics by Lionel Robbins and Carl Menger. Nor is it the case that the good life involves inefficiency (A. Leijonhufvud). One question that arises is who is up to the job of promoting the good life. The state is a very dangerous actor. The French philosopher Alain wrote the following: “si l’Etat est faible, nous périssons; si l’Etat est fort, il nous écrase” (if the state is weak, we perish; if the state is strong, it crushes us). So the question is how to reshape institutions in order to bring about the conditions for the good life while at the same time averting the danger of state coercion (G. Kirsch).

It was also said that education is key to an economy that supports the good life, but a more careful balance is required between control and autonomy of schools and universities. Unfortunately, Western countries are expanding law and business studies at a time when they need more liberal arts colleges and humanities degrees that teach critical, creative thinking (L. Siedentop).

In response, R. Skidelsky acknowledged that the central state is potentially dangerous, which is why the book proposes encouragement rather than inaction or a diktat. That is the alternative which paternalism without enforcement tries to capture. More specifically, various

prosperous countries in Europe have adopted work sharing schemes, including the Netherlands and Denmark, which is one way of dealing with so-called ‘technological unemployment’. As for basic income and taxation, until recently there was progressive taxation at high levels, so why not again? In Britain and elsewhere, ‘baby bonds’ were in embryonic form, a kind of basic income that could be extended and developed. In general, both economic research and public policy-making need to downgrade efficiency and shift the emphasis towards the good life and a series of substantive goods.

In terms of the second issue (the European and international dimension), it was argued that the whole book is about international issues, but the final chapter is about Britain. Would it not make sense to think about the conditions for a world basic income and for more financing of investment across the globe (C. Kenny)? What about Europe? Does not the tradition of personalism (e.g. Delors) offer crucial insights? Why nobody envisaged a tax on financial transactions or on landed property (G.M. Ambrosi)?

On the third issue of civil society, the book risks advocating a top-down paternalism that is state-centric and neglects the bottom-up dynamics, including the intermediary institutions of civil society and also the social responsibility of certain companies. In fact, the fair trade movement is significant in this respect because it was started by businesses, not states (Guy Schuller). Linked to this is the importance of recognising the contribution of civil society organisations and business to the life of the community (M. Borsenberger).

More fundamentally, some participants argued that the Skidelsky book depends on an assumption that we are no longer in a condition of scarcity with respect to needs (insofar as these could be distinguished from wants). The challenge is whether this is at all plausible if one takes a global perspective (C. Kenny; M. Matravers). Other participants contended that it is right to reject the scarcity argument and to defend a pro-paternalist stance. But the residual appeal to welfarism is too Protestant, too social democrat and not Catholic enough. In fact, Catholic Christian social teaching argues for more mutualist, reciprocal arrangements that are rooted in the complex space of civil society. The idea of basic goods goes against mechanical welfarism and in this more interpersonal direction. But the book is characterised by a discrepancy between interpersonal ends and more unilateral means. What could be strengthened in the argument is a greater focus on vocationalism and ways of strengthening reciprocity, bearing in mind that a universal basic income might in fact undermine the reciprocal relation that binds citizens to each other and to the rest of society (J. Milbank). For example, one way to translate the principle of reciprocity into a concrete policy is to adopt an equal labour income equalisation scheme, as indicated in recent work on ‘macro justice’ (S.-C. Kolm).

In relation to the fourth and final issue (alternative economic arrangements), it was suggested to tackle inequality through multiple pay ceilings, as Will Hutton has proposed for public sector pay in the UK. What is clear is that socially useless production shouldn’t be part of a fair economy and that state action is necessary to penalise such production and promote socially beneficial modes (A. Chakraborty). Moreover, the economic and financial system would benefit from more risk and profit-sharing between investors and money-lenders, on the one hand, and employees and customers, on the other hand. Concretely, that involves converting some debt into equity. For example, the maturity of existing mortgages could be lengthened and interest rates fixed at low levels in order to minimise foreclosures that depress

the value of assets and hit households hardest. New mortgages could involve the transfer of equity in exchange for a monthly rental fee indexed or linked in some other way to the local market for rented properties. This would contribute to the re-localisation of credit. In addition, a periodic payment would transfer part of the equity in the property to the tenant. All this would put a floor under asset prices and thus stabilise key sectors such as housing in which most private wealth is invested (A. Pabst).

Moreover, risk- and profit-sharing arrangements also involve more employee-ownership in the private and the public sector. In this way, workers earn not just a wage but also get a share in the company's capital and profit or in the management of public budgets. By strengthening simultaneously individual initiative and reciprocal responsibility, these more mutualist structures promote innovation and labour productivity. Moreover, regulators need to link bonuses to longer-term performance and also to some measure of social purpose. Only in the short-term does pure self-interest pay. In the medium-term, it is economically inefficient and socially corrosive because it feeds mutual mistrust and therefore requires ever more costly control. Thus, part of the good life is to promote arrangements such as mutualised banks, community and public interest companies, local investment trusts, etc. (A. Pabst).

Some participants argued that the authors run the risk of not being ambitious enough in the final chapter. Chapters 1-5 reject the logic underpinning purely commercial competition and scarcity of resources: the argument of the book goes against the idea that positional goods and social status is all relative, that's why there is competition for scarce resources. But the change of consciousness that chapter 6 advocates risks sounding like a call for religious conversion that lacks transformative potential. Why not focus on public policies that could lead to proper competition for greater happiness, well-being or even the good life? Why not envisage an alternative system instead of new fiscal or administrative measures while at the same time remaining within the capitalist system (F. Martin)?

At the end of the final session, R. Skidelsky said that the discussion had crystallised two critiques that are mutually incompatible. First, that the book is either too ambitious or not ambitious enough. Second, that the proposals set out in chapter 6 are either too detailed or not detailed enough. On some specific points, he argued, first of all, that efficiency is not just about adjusting means to ends but can – in states of abundance – diminish the good life. One way to rethink efficiency that avoids a purely instrumental meaning is to view it as purposiveness without purposefulness. Second, full employment is the absence of involuntary unemployment, but it does in no way rule out work sharing or much shorter working weeks. On the contrary, flexible work arrangements have in fact reduced unemployment and raised the participation rate (especially that of women). Third, a progressive consumption tax is all about reducing inequality, so central state taxes cannot be dismissed. Fourth and finally, the best is the enemy of the good. It is therefore more appropriate to start somewhere – in this instance Britain – and then go from there. That is why the European and international dimension is not developed in the final chapter, R. Skidelsky concluded.

Concluding remarks

There was widespread agreement among the participants that the book “How Much Is Enough?” will make a significant contribution to contemporary economic research and debates on public policy. It combines a compelling critique of classical, modern economics

and the literature on ‘happiness economics’ with concrete proposals for an alternative that centres on the good life and a series of basic goods. As such, the book blends conceptual innovation with original policy recommendations.

However, there are a numbers of ways in which the manuscript can be improved. First of all, it would be important to clarify some of the key concepts such as the good life and basic goods in relation to substantive notions of the common good. Linked to this is the discrepancy between interpersonal ends and instrumental means. Principles such as mutuality and reciprocity might be helpful in highlighting the fundamental differences between utilitarian ethics and happiness economics, on the one hand, and the philosophy and economics of the good life, on the other hand.

Second, the book would benefit from some more work on the intellectual traditions it appeals to or draws upon. In particular, there is a tension between social democracy and social liberalism, on the one hand, and Catholic social teaching, on the other hand. This tension revolves around the nature and role of the central, bureaucratic state in relation to the intermediary institutions of civil society. The various social encyclicals since the 1891 encyclical *Rerum novarum* are key to this, notably the most recent encyclical *Caritas in veritate* and the idea of a civil economy that embeds both states and markets in the social relations and civic bonds of civil society.

Third, policy ideas for Britain need to take full account of the European dimension, especially the entire *acquis communautaire*. EU membership does not only impose potential costs and limits but also offers opportunities. At a time when the EU is trying to cope with the eurozone crisis and successive waves of eastern enlargement, there is scope to effect change at the level of 27 member-states, especially in the area of economic policy and welfare states. In relation to banking and finance, it would also be helpful to relate some of the policy proposals to recent changes in international regulation and the need to reconnect global finance to the real economy.

A. Pabst
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The Luxembourg Institute for European and International Studies in cooperation with the Central Service for Statistics and Economic Studies and the Competitiveness Observatory at the Luxembourg Ministry of the Economy and Foreign Trade

**Conference on
"How Much Is Enough? The Economics and Philosophy of the Good Life"**

*27-28 May 2011
Cercle-Cité, Luxembourg*

Programme

Friday, 27 May 2011

09.00 – 10.30	Session 1:	Economic growth – finite or infinite?
10.30 – 11.00		Coffee break
11.00 – 12.30	Session 2:	Utopia and the Faustian pact
12.30 – 14.30		Lunch
14.30 – 16.00	Session 3:	Philosophers and the good life
16.00 – 16.30		Coffee break
16.30 – 18.00	Session 4:	The seduction of happiness

Saturday, 28 May 2011

09.00 – 10.30	Session 5:	Elements of the good life
10.30 – 11.00		Coffee break
11.00 – 12.30	Session 6:	Where do we go from here?

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