

This is, then, a clarion call to the economics profession to get its development package rounded out, especially with reference to those bottom countries that are still mired in futility. Powell and Collier are both super, but still more is required for the greatest problems to be solved.

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Frugality: Rebalancing Material and Spiritual Values in Economic Life

Luk Bouckaert, Hendrik Opdebeeck, and Laszlo Zsolnay (Editors)
New York: Peter Lang, 2008 (322 pages)

Each essay in this important collection presents a comprehensive analysis of one aspect of the long and deep roots of frugality. Thus, under the heading entitled “Frugality in Spiritual Traditions,” Luk Bouckaert leads us to distinguish the difference among rational, spiritual, and instrumental frugality. Each leads to substantially different modes of thinking and living. With the assistance of Rafael Esteban, we learn how negatively the “idolatry of consumption” affects the entire arc of development from the personal to the cultural and the communal. Francis Kadaplackal guides us to see man as a cocreator and thus returns to the frugal man a full sense of responsibility for his actions toward others and our planet. Laurie Michaelis reminds us that calls for the practice of frugality lie at the very core of the Quakers’ concept of life, a perspective that accepts the usefulness of business as well as the duty to care for others, and naturally extends itself to work for a world of peace.

Under the heading “Frugality in Socio-Economic Perspective,” Dirk Geldof places the issue of overconsumption into its proper context. By giving its due to the deep psychological meaning as well as the negative aspects of consumption, he becomes entitled to propose frugality as a positive alternative that reduces the risk of global ecological collapse, smooths the ongoing trade-off between wealth and well-being, and tilts the quantity of time spent earning money and shopping in favor of time spent improving the quality of our lives.

By linking frugality to luxury, Ronald Commers and Wim Vandekerckhove display the full spectrum of the long historical conversation about the morality of production by the many for the luxury of the few. After pointing out that the danger of capitalism lies in the “commodification of everything,” they explore the possibilities of stakeholdership in the full context of the global economy.

Knut Ims and Ove Jakobsen, placing themselves into the organic worldview, make us clearly see that mainstream economics, tied as it is to the mechanical worldview, reduces human beings to atoms unconcerned not only with other human beings, with their society, and the world but even unconcerned with their own psychological well-being.

They suggest that frugality is an “interesting gateway” to the avoidance of the pitfalls of overconsumption and the achievement of a world in which “sustainability and life quality are the overriding goals” (170).

Hendrik Opdebeeck opens with the realization of the collapse of the major assumption of the modern world: faith in progress as the alternative to the traditional vision that ethics limits freedom—especially economic freedom. Progress was supposed to eliminate want and, with it, violence. Hence, he starts the work of reconstruction by recovering the distinction between science and wisdom and translating it into the Western concept of science-for-use versus the Eastern concept of science-for-insight and thus opens the door to the acceptance of frugality as an integral part of Buddhist economics in which issues of sustainability and life quality are essential. This, of course, is one way of recovering the validity of the Aristotelian-Thomistic concept of life. What Buddhism calls balance between opposites, Aristotle called the golden mean. Both are practical tools to solve complex problems of the relationship between order and freedom, for instance. By the same token, frugality becomes a tool to resolve many conflicts between our needs *and* our wants as producers and consumers, our needs *and* the needs of our community or our environment, our ethics *and* our economics, and our practical needs *and* our spiritual needs.

Under the heading “Frugality in Business and Economic Policy,” Herman E. Daily presents a devastating critique of mainstream economics. He points out that what we leave to future generations is not utility but “throughput,” namely the capacity of natural resources to produce a stream of wealth; yet, mainstream economics does not include throughput in its calculations. This lack of knowledge deprives economics of concern for sustainability and infuses fundamental misconceptions into such key working tools as value added and production function. The author points out that the justification for much growth is the alleviation of poverty; yet, mainstream economics does not even realize that “insofar as poverty or welfare is a function of relative income, then growth becomes powerless to affect it” (211). It is due to this lack of understanding of poverty that mainstream economics does not show great concern for limits to growth.

The position of mainstream economics in relation to international trade and globalization appears to be even less tenable because it contravenes a basic assumption of its own theory: Capital is not supposed to move freely between nations! These arguments lead to a definite condemnation of current national and international policies concerning growth and distribution of income: How else does one evaluate policies that favor debt, threaten ecological disaster, discourage import substitution, and encourage export policies that rely on single crops desired by rich countries and the depletion of natural resources of less-developed countries? From this catalog of errors, distributive justice and frugality naturally spring forth for the construction of a sane economic policy.

Counterintuitively, Ronald Jeurissen and Bert van de Ven address some of the conditions through which, given a change in our cultural patterns, marketing will sell frugality just as efficiently as today it is selling luxuries. Exciting prospect! The key that opens this prospect to realization is that “people want more time, less stress and more balance

in their lives” (227). After distinguishing individual from political frugality, the authors urge: “Frugality should therefore be based on a political economy of frugality, and it should become a political movement” (229). The precondition is that we distinguish needs from wants—not a small feat but not an impossible act either. Given our innate ability to know our true self-interest, it only requires some prodding from our spiritual leaders. Major spurs along this way are already being provided by such social forces as “slow” consumption and the environmental movement.

A wealth of practical suggestions are then offered to marketers under such headings as time frugality and goods frugality, marketing responses to individual frugality, commodification of frugality, and downshifting marketing. The transformation of individual frugality into political frugality, the authors predict, will come with the exhaustion of renewable sources of energy. A substantial form of political frugality is already taking shape under the heading of corporate social responsibility (CSR), but the authors are well aware that we are far away from the development of this movement.

Robert H. Frank analyzes the details of an apparently simple question: Does consuming more goods make people happier? The answer, supported by much scientific research data on the determinants of life-satisfaction and psychological well-being conducted by in-depth surveys and neuro-imaging analysis of brainwaves, is wholly counterintuitive: “beyond some point the answer is essentially negative” (249). One example suffices. People in a community with smaller houses and more free time are more satisfied than people in a community who live in larger houses and have less free time. The reason is self-evident, once it is analyzed: “Here again, the evidence suggests that whereas the pay-off when all have larger houses is small and fleeting, the pleasures that result from deeper social relationships are both profound and enduring” (259). The advantages of buying a larger house can be temporary; the disadvantages are permanent: One has less time to spend with friends and, because affordable houses are generally in the suburbs, one necessarily has to spend more time commuting—with all the attendant aggravations of commuting to work and even to shop.

There are two plausible explanations for why we deceive ourselves. First, we do not know our future reactions that well; second, pay-offs depend on relative position and, unless decisions are coordinated, the effects of individual decisions can be negated by the effects of societal decisions. “Military arms races provide perhaps the clearest illustration ... when *all* spend more on weapons, no one is more secure than before” (261). This last characteristic leads the author to suggest the introduction of a progressive consumption tax, a tax that would encourage us “to save more, buy less expensive houses and cars, and feel less pressure to work excessively long hours” (264). Laszlo Zsolnay closes the book by giving us a comprehensive view of Buddhism as an economic strategy that naturally leads to the practice of frugality.

Each essay is enriched by a wealth of historical, theoretical, and practical particulars that resonate within each other’s presentation. Taken individually, each essay successfully makes the “spiritual case for frugality” (xi). Taken together, the voice of each writer is

transformed into a roar: Frugality is not an option that one might take or leave; frugality is an economic necessity. We either live in accordance with the precepts of frugality, or we perish under a sea of debt and a heap of trash.

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Public Values and Public Interest

Barry Bozeman

Washington, D.C.: Georgetown University Press, 2007 (214 pages)

Between the mid-1970s and the mid-1990s, ideas about the relationship between the public interest and individual economic decisions changed. People began to talk about incentives and letting markets decide things. Political scientists questioned the idea of the public interest and began to use tools borrowed from economics to evaluate political outcomes. Today, the assumptions of economic individualism have been so absorbed into political science that scholars rarely question them.

In *Public Values and Public Interest*, Barry Bozeman critically examines the foundation of economic individualism and offers an alternative perspective in “managing publicness.” Bozeman, a professor of public policy at the University of Georgia’s School of Public and International Affairs, blends empirical research on public management with political theory, drawing on an older tradition of the public interest found in political science and on more recent work about public values in philosophy, anthropology, and other disciplines.

Public Values begins by cataloging the rise of economic arguments about politics and focuses on the idea of market failure as the primary justification for government intervention. The idea holds that the market is the best provider of goods and services except in cases where market competition is flawed and prices are distorted. Bozeman criticizes the idea for being based on a “shallow utilitarianism” and for not addressing questions of equity (62). Market failure and other concepts borrowed from microeconomics and applied to politics have the advantage of being, in the language of social science, easily operationalized. Microeconomic ideas draw on a general theory about how the world works, and they translate into measurable predictions that can be easily studied and either supported or found to be false.

The prominence of economic metaphors applied to political life is a relatively recent phenomenon of the last thirty years. Before that, it was more common to justify public policy in terms of the public interest. In 1955, the most prominent public intellectual of his day, Walter Lippmann, defined the public interest as “what men would choose if they saw clearly, thought rationally, acted disinterestedly and benevolently.” Though an admirable goal, the idea of the public interest proved too slippery for most contemporary social scientists to study.

Bozeman provides a concise criticism of the limits of economic individualism, most of which has been made elsewhere, including in works by political philosopher Michael