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Towards a Human Centered Economy

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for a Bachelor of Science in:

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Prologue

“Just call it ‘promising results’,” said James. “We need to button this up so we can move to the shaft-coupling project...” I was bewildered.

“But why?” I sort of stammered trying not to lose the last little bit of professionalism in my voice.

“Well, that’s how this works. Research grants are only a couple of years. When the funds are dried-up we publish what we have and move to the next project.”

“But we are finally getting somewhere! We just collected data from our first failure last month, now we have the potential to really learn how this system works!”

“Ehh... That’s how it goes... promising results.”

About two years previous to this conversation, the company had received a Small Business Innovative Research (SBIR) Grant from the Department of Defense. The thought behind the SBIR Grant was that smaller companies could research topics and develop technologies more efficiently than larger defense contractors. Small businesses can apply for a grant and, if awarded, work on the idea for a few years, and then, hopefully, commercialize the resultant technology.

The problem with this idea is that it is simply too high of a risk for a small company to attempt to commercialize one of these research intensive technologies, especially when they had the best customer in the country, the Department of Defense, essentially buying their “promising results”. It was simply profitable and secure to focus on acquiring grants rather than undertaking the risk of development for commercialization.

This was a reversal of many core values. Perseverance and gumption are the values instilled while learning to ride a bike. Humans are ingrained with these simple principles in order to navigate through the difficulties of life and to achieve long term goals, but the values of this particular business were different. They seemed to revolve around a certain detachment from the work, not being overly committed to any one idea or project because it would be, in all likelihood, dropped for the next. This experience was the first time I had seen the waste and the reversal of basic principles that is so prevalent in the corporate world.

During my time working with student groups and in various professional engineering capacities, I became quickly frustrated with the failures of human beings, including myself, in working together for a unified purpose. In student organizations, interpersonal issues were the Achilles heel of team goals. In research, seeking short term funding seemingly trumped our efforts for long-term scientific progress. In manufacturing, it became similarly obvious that the distrust and miscommunication between skilled craftsmen and management stifled the ability of businesses to provide value to their customers, employees, and the broader community. These and many other experiences were the primary motivation for undertaking this research project.

In all of these situations, I began to look for common themes. In doing so, I recognized that similar problems of coercive management, unrecognized potential, and failure to develop healthy interdependent relationships surrounded my educational and professional experiences.

As I recognized these stifling problems I began to look for answers in text. I started with *The Prince* and *The Art of War*. (Machiavelli, 1966) (Sun, 1988) At this time, I perceived these problems as enemies which needed to be conquered. This was certainly, indicative of the adversarial, competitive environment in which I worked and learned as well as my own misguided perceptions. After experimenting with these approaches and recognizing them as limited, I began to study the arts of

persuasion reading the thoughts of academic human resource managers on the power of influence (Society for Human Resource Management, 2006) I hoped at this point to persuade those who were opposing my vision of progress to the ideals I understood as right and necessary. It was a struggle, but was somewhat effective in achieving the ends of a shared goal.

I was soon thereafter introduced to the modern paradigm of engineering management literature. I learned to use *living documentation* as a process of communication and accountability, derived specifically from the Toyota Production System (TPS). (Liker & Meier, 2006) But this world renowned set of process and tools fell short of a total solution.

I was later introduced to the story of the birth of TPS out of the post-war economic development of Japan. Mass production techniques had defused to Japan, but were not limited by the barriers of communication and skill, as was Ford's original system. (Womack & Jones, 1991) After studying the topic further, I began to believe that the key to success could be attributed purely to the development of people within an organization. (Liker & Meier, 2007)

In studying Confucianism in parallel with the aforementioned engineering management literature, I was introduced to yet deeper theories about the foundations of a flourishing society. I deduced that all individually and communal success was derived from education at all levels of an organization. I saw value in the stages of development that Confucius put forth and believed them to be a platform for a powerful economic or business model. In correspondence with the principles of Confucianism, a business should first provide for people, then cultivate their talents, and lastly attempt to govern or manage. (Hinton, 1998)

But this idea again fell short. Education works in two directions. The teacher cannot impart knowledge without an eager student nor can a teacher teach without a desire to expand her own mind and learn what a student has to contribute. Education cannot be coercion. The cultivation of a human being may begin as indoctrination, but has not been fully realized unless it develops into mutual interpersonal development. It is a dance rather than a march. There is an organic, emergent component that cannot be directly controlled as engineers often hope to do. (Ivanhoe & Van Norden, 2001)

Now a new development is beginning to unfold. Only nearing the end of my writing, am I beginning to understand the key. It is a principle that operates subtly. It is Socrates' sacrifice of his life for his justice. (Cohen, 2000) It is Confucius considering only the well-being of servants when his stable is burned. (Hinton, 1998) It is the development of Japans engineering export economy to feed a starving nation. (Walton, 1986) It is what Adam Smith fails to recognize and is Capitalism's greatest weakness. (Smith, 1991)

My recent recognition of this common principle in no small part has influenced my decisions to align my intellectual and professional path with humanism. I have recognized the greatest weakness in my own character and the greatest opposition to my own aspirations has been my own misalignment with the humanism. The task of the greatest of leaders is simply to cultivate others to become best at what they wish to do and what they have a natural talent and affinity for doing. The greatest of leaders are marked with the traits of vision, education, will, etc., but only those who are practiced in understanding the unique value that resides in each person will surpass mediocrity in their own aspirations and in the eyes of their fellow human beings. Great vision, to be followed by realization, does not occur in a vacuum, but in a careful dance of commerce of ideas between oneself and others. I hope that those who read this thesis will be moved to examine their own circle of influence and attempt to truly and interdependently support and cultivate the aspirations and skills of those around them.

Allow me to qualify; I do not intend to write a philosophy which deepens the specialization of a field. This work is the beginning of the much larger task of removing the self-limiting barriers between the specialized branches of knowledge. It is the attempt to find a common thread between a breadth of

diverse literature and should be judged as such. I suspect that the reader will be rightly left with questions rather than an absolute solution. I do, however, intend to develop a discourse that is understandable and useful to my fellow man in his pursuits for the flourishing of humanity.

I struggle often to find greater wisdom and find the true root of what is necessary and good. I have wrestled with this question, throughout the development of this thesis, a struggle which the brevity of this text belies. So for now this quest ends with the production of this document. It is not a final answer; it is merely a representation of the discovery of patterns which I believe to be moving in the right direction.

In summary, I believe humanism to be the true key to the complex set of problems which we have for ourselves created. The genuine recognition of the inalienable value of each individual person and the support of each unique contribution holds a formidable force. This force is what makes a mother willing to sacrifice herself for her child and what makes soldiers stand in the face of genocide. It is a unifying ideal that we are interconnected in humanity and cannot escape this position. Education, Economy, Business, Government, are all simply supporting factors to the greatness that humanity can be.

Broadly stated, the general purpose of this work is to explain philosophically the practices and circumstances of economics which have been here exposed, to understand their logical fallacies, and improve upon them or replace them with a more effective set of foundational principles for the development of an economic society.

Before beginning this investigation, it will prove useful to outline some of the main themes that reoccur in the analysis. The first of these is the concept of a “model”. A model, as referred to here, is the paradigmatic, theoretical framework which conditions human habits and practices. A model is paradigmatic in that humans act within a model not understanding its boundaries or significance until a dramatic shift occurs. A model is also theoretical, based on assumptions, and guides human thoughts and actions according to abstract concepts. For example, we exist currently in a democratic paradigm. We question neither its logical foundations nor its effectiveness in facilitating peace and prosperity. We believe in democracy fully and could not imagine a better governance structure. This is a paradigm of a democratic model.¹

A more relevant example, which will be used later in the body of this work, is the “Craft Tradition” model. In this “Craft Tradition” model, value is produced on a small scale, within a community, and at its foundation is the sustaining mechanism of the master-apprentice system of education and development. In the late 1800’s and early 1900’s, this paradigm was shifted by the advent of the “Mass Production” model.(Taylor, 1886) The assertion of this new model shifted practices to large scale and reduced the amount of education and development of labor talents through the separation of planning from execution.(Womack & Jones, 1991) These two models, as they have existed in the past, are opposing theoretical frameworks. The concept of a model will be used to describe and explain paradigm shifts. Further, a theoretical framework based on core principles will be proposed in order to create an improved model of economy.

The second theme that will be continually touched upon is the importance of *humanity*. Through the pervasiveness of technology as a worldview, we often lose touch with the human elements of our world. There is a general tendency toward an inhuman utility-based understanding of human beings. It shall be herein asserted that a rich notion of human value is imperative for progress and that any legitimization of a mechanizable, utility-based view of human beings should be immediately reformulated

¹ The paradigmatic model is the same basic structure laid out by Thomas Kuhn in his essay on The Structure of Scientific Revolutions.

On the issue of production quality, for example, the non-human centered view focuses primarily on equipment, process, and inspections whereas the human centered view would focus deeply on the development of human skill for higher quality throughout the entire process. (Liker & Meier, 2007) This human centered view is, at root, quite simple: successful human relationships are essential to the stability and success of an organization as a whole. The flourishing of each human being in an interdependent network provides naturally the flourishing of the whole. Human beings are the crucial contributors to economy and the arbiters of value.

Another crucial theme is the *reductive effects of measurement*. At base, the concept of measuring implies that quantitative attributes are of higher importance than those that are qualitative. Since those things which humans regard as of the highest importance, justice, honor, fairness, etc. are all highly qualitative, not recognizing the diminishing effects measurements have upon these core principles can be damaging to the functioning of economic society.

Additionally the technological paradigm thrives on measurement. Technological successes are the quantification and reduction of some part of reality in order to control it. The immeasurable attributes of human flourishing are subordinated to those measures which may or may not directly benefit human beings. One example is how the measurability of market value subordinates the less measurable attributes of human toil, educational value, and the value of human relationships. All metrics are incomplete and should be understood as such. Those metrics which best facilitate the flourishing of human beings should be most broadly utilized.

The fourth and last theme is, as mentioned at the conclusion of the last paragraph, *value*, itself. Our notions of value have been oriented by measurable traits: profits, efficiencies, times, etc. It is not always the case that a profitable act is of any value, nor is it the case that an act of value is always profitable. For example, certain practices of money lending are of little socially redeeming value but are profitable. Day trading practices are of minimal social value, in comparison to long term investment. A war is almost always profitable, but war, by definition, is destructive in nature. Economy should seek to promote the maximization of shared value rather than profit. (Porter & Kramer, 2011)

In order suggest an improved economic model, value will be defined as including a number of simple concepts favored by the reasonable human being. Some of these would include: skill, knowledge, honesty, productivity, relationships, and fulfillment. As discussed by Aristotle, money is merely a means, not a good in and of itself. (Cohen, 2000) Profit, therefore, should be used to serve a rich notion of shared value centered on the necessary conditions of individual and group prosperity.

Introduction

Current Economic practices are rooted in logic that sacrifices the flourishing of individuals and the broader community for a limited notion of prosperity. Centering our economic practices on human centered ideals will develop greater prosperity individually and collectively.

Current systems of logic have guided the decisions which create the current economic system of Capitalism which subjugates education to production, quality to cost, and profit to flourishing. Contrary to the historically dominant apprenticeship model, which has been both by choice and circumstance removed from productive action, industrial practices separate production and education. Without the seamless integration of education and production, the development of skill and effectiveness is limited and the reduction of labor cost is sought as a solution to the degradation of labor quality. Without rich notions of education, quality, and skill as focal points, human flourishing is limited and other substitutes must be created. The dominant substitute for true human flourishing has become profit.

From within the framework current models, Economic prosperity is often in conflict with individual prosperity, environmental preservation, and the needs of the broader community. The modern industrial economy, having grown out of corrupted Scientific Management and Mass Production methods, often seeks efficiency and scale at the expense of the individual worker. Current economic models, predicated upon the assumptions of unending growth and driven by the finite resources are not sustainable. Economic practices which leverage low-cost, unskilled labor for the generation of wealth assume and perpetuate the division of community. Economic models that promote the conflicts between business and individual prosperity and divide the crucial human network of community should be dissolved and models which reconcile these initiatives for the purpose of greater human flourishing must be developed.

The philosophical frameworks for the currently dominant model of capitalism was originally articulated by Adam Smith and was subsequently criticized by Karl Marx. Smith asserted that the driving factor behind the development of wealth was the division of labor, and that through pure human self-interest a cooperative economic model could be developed. (Smith, 1991) Marx later pulls apart the threads of the logical fabric of capitalism, exposing the alienating, dehumanizing core created by measuring human lives in terms of profit, labor, and Capital. (Lawrence, 1994) Today it is acutely recognizable that economics driven by self-interest do not facilitate a co-operative economic model, and the alienating, dehumanizing measurements of prosperity continue to misguide economic decisions.

A historical understanding of the alienating functions of past economic models can be traced through Adam Smith's Division of Labor, Karl Marx's Alienation of Labor, Frederick Winslow Taylor's Scientific Management, and Henry Ford's Mass Production. Smith asserted that a co-operative economic model could grow out of human self-interest. Marx's pointed out the way in which the worker was coerced into his daily tasks through the concentration of power in capital. Taylor began systematically reducing craft skill into centralizable scientific and mathematical data which could be used to optimize the efficiencies of workers. Ford placed all of these concepts together with the assembly line and economies of scale and created a prospering economy without the development of skill. All of these historical events have led to the current state of economy, an economy centered on self-interested, unskilled, alienated human beings influenced by centralized knowledge and power.

Although this philosophical model of economics has functioned to bring society to its current standard of living, the modern world faces a number of tremendously challenging issues that have grown out of this economic model. Increasing consumption threatens the sustainability of our rapidly depleting natural resources. Businesses seeking short term profitability often do so while sacrificing long term prosperity. Educational systems continually underperform the expectations of businesses and the broader

community. It is becoming increasingly difficult to find economic stability and financial security. Self-interest and profit-seeking have risen in importance above that of national health. And perhaps above all it is increasingly difficult to find belonging, fulfillment, and flourish as a full human being. All of these challenges now faced are contributed to by dehumanized models of economy.

This Thesis explores the philosophical frameworks which have caused these detrimental economic practices and develops a framework upon which to build new models of economic practices. By adopting a human centered view, focusing on individuals and the flourishing of the broader community, we can place the human being at the center of political economy. The human centered economy has potential to achieve a yet to be realized level of prosperity and human flourishing.

Alienating Models of Economy

Most historical models of economy have alienated human beings, reducing them to a means for the generation of product. Adam Smith developed the logical framework for Capitalism in the *Wealth of Nations* in 1776. Karl Marx later brought to bear the greatest criticisms of Capitalism through a series of works centered on Class Struggle and the Alienation of Labor. Marx was largely ignored in North America. During the late industrial revolution, the United States economy was founded completely upon low-cost, low skill labor. The barriers to prosperity that this situation provided were largely overcome by Scientific Management and then by Economies of Scale and Mass production. With the current shifts towards globalization, the expansion of human rights, and the poor performance of current models in facilitating stable and lasting prosperity, the next model of economic development must be identified. To overcome the alienation of human beings, which limits prosperity and human flourishing, economists, philosophers, and businesses should understand this historical pattern and develop the next logical evolution.

Alienation of Labor

When one wishes to investigate how industrial history has created human orientation towards the world, Karl Marx cannot be overlooked. He wrote prolifically on this subject and is credited with developing the intellectual foundations for Socialism and Communism. Although the United States has widely rejected these methods of organizing political economy, the influence of Marx's writings is very much alive in many European countries and in the People's Republic of China. As with any philosophical idea, Marx's have been subject to interpretation and reformulation to serve political and economic agendas, but nevertheless one who speaks of production and value must undoubtedly address Marx and his theories. Surely given the current international political climate, free of the fear of communism, Marx's ideas can be revisited with intellectualism and legitimate analysis. This should be done in order to develop a more informed and improved economic structure.

In his 1844 essay "The alienation of Labor," Marx writes:

"The worker becomes poorer the more wealth he produces, the more his production increases in power and extent. The worker becomes a cheaper commodity the more commodities he produces. The *increase in value* of the world of things is directly proportional to the *decrease in value* of the human world. Labor not only produces commodities. It also produces itself and the worker as a *commodity*, and indeed in the same proportion as it produces commodities in general." (Lawrence, 1994)

Through the process of commodification an individual's life and efforts are transformed into the buyable and sellable. Human labor, as the greater part of human life and effort, is poured out, formed into a product, and removed from the laborer. In this way, his very being is objectified and purchased from him. His precious hours of existence upon this earth are bought from him. His life and his efforts are no longer his life, but are reduced to a *mere means to life*. Once a human's life and being have been alienated from him, a number of issues necessarily follow, such as the reduction of the value of labor, the alienation of the relationships between human beings which were once encouraged by economic action, and so on and so forth.

For example, if a worker can make chair, each chair goes for a certain price. The worker has value because he produces commodities worth a price. If he produces more chairs than normal, the supply increases, and as such the value of each chair decreases, e.g. the Supply and demand curve. However, his value as a worker is to produce chairs which have a price. This means that his value as a worker decreases, because as he produces more, the things he produces are worth less. Ultimately, it is the case that if he were to create all the chairs his employer ever needed, then he would be out of a job. The worker will have produced so much that he has zero value as a worker.²

During the technological paradigm this effect is further aggravated. As the machine builder builds more capable and intelligent machines, he decreases the demand for human machine builders. He produces his own competition; therefore his market value will decrease. If it is true that greater efficiencies in labor decrease its value in an economic system, it would seem that the measurements assessing this value are failing. It is much more reasonable to assert that the greater the productivity of a community, the greater the available goods, and the measurement of value should reflect this prosperity. Skilled, productive, capable, creative human beings increase the common stock for all. If the greater productivity of labor decreases its value, it would seem necessary to revisit the way in which this value is measured.³

Further Marx writes:

“First is the fact that labor is external to the laborer—that, it is not part of his nature—and that the worker does not affirm himself in his work but denies himself, feels miserable and unhappy, develops no free physical and mental energy but mortifies his flesh and ruins his mind. The worker, therefore feels at ease only outside work, and during work he is outside himself. He is at home when he is not working and when he is working he is not at home. His work, therefore, is not voluntary, but coerced, forced labor. It is not the satisfaction of a need but only a means to satisfy other needs. Its alien character is obvious from the fact that as soon as no physical or other pressure exists, labor is avoided like the plague. External labor, labor in which man is externalized, is labor of self-sacrifice, of penance. Finally, the external nature of work for the worker appears in the fact that it is not his own but another person’s, that in work he does not belong to himself but to someone else... Similarly the activity of the worker is not his own spontaneous activity. It belongs to another. It is the loss of his own self.

The result, therefore, is that man (the worker) feels that he is acting freely only in his animal functions--eating, drinking, and procreating, or at most in his shelter and finery--while in his human functions he feels only like an animal. The animalistic becomes the human and the human the animalistic.” (Lawrence, 1994)

That labor is done for the purpose of receiving compensation, as for an injury against the laborer, is incidental to the coercive nature of the labor. The labor of which Marx speaks is coercive in that the division of labor and the subsequent degradation of conditions make it unpleasant and that the hierarchy through which the business is run is most often coercive. The impositions of management are thrust upon workers, with little consideration given to their humanity and well-being. Laborers must then carryout these orders since they are compensated for their time.

Another main theme in Marx’s essay is this externalization which leads to a lack of fulfillment, work as a necessary and unpleasant chore; work is a means by which one can live, not an integral part of the healthy human life. Marx points blame in the direction of capital, greed, and the division of labor, but this can be reanalyzed using a human centered view. Both the theories and practice of capital investment and the division of labor are driven by human thoughts and actions. Additionally, Greed is at

² I wish to thank Maximilliano Herrera for his supplying this analogy

³ For further information regarding the reductive effects of measurement reference Jurgen Habermas’s “Technik und Wissenschaft als Ideologie” Herein, Habermas explains the emphasis the paradigm of measurement places upon measurable qualities while subjugating immeasurable qualities and those qualities we do not yet measure.

root a concept of cognition and action. All of the factors which create externalized and alienated workers are under the control of human beings. By adopting a human centered view, focusing on individuals and the flourishing of the broader community, we can place the human being at the center of political economy.

Capitalism is not necessarily coercive in nature, it merely centralizes power in the hands of those who control of capital. This concentration of power is inconsequential to the alienation of labor. The worker can develop a fulfilling orientation towards production through humanism and cultivation within a Capitalist system. With humanity as the central focus of economy, the laborer is no longer a peripheral force, a collateral damage. Refocusing on the needs and flourishing of humans within economy is by definition a reconnection with labor. This humanism is actualized in the actions of cultivation. Cultivation is placing the human as the center of focus. Cultivation defines the human being as the central goal, rather than the material product being central and the human being as peripheral.

Therefore, the question is no longer directly systemic, eg. Capitalism vs. Communism, but is rather focused on the ways in which human beings act in their structures of power. Capital, at a base level, is a concentration of power. It has little difference to the concentration of power that occurs in government structures or social structures without capital. Capital holds power even beyond the borders of government and social structure, by its extension into the international realm. In order to create greater prosperity, concentrated power should be used to cultivate human beings to a higher state of flourishing defined by a maximization of the usage of talents.

Those with capital have strong influence over those who need capital. If we accept the Capitalist system, and decide to work within the constraints of the system of power it creates, the entity in question then becomes the principles of leadership of those wielding this concentrated social force. As is asserted by Confucian scholars, the concentration of power must eventually be used for the purpose of benevolence or the social system will fail. (Ivanhoe & Van Norden, 2001) In order to develop long term prosperity it is imperative that the capitalist leader act in accordance with humanity.

The highest achievable goal of capital investment is, therefore, the good of the people, both those giving of their lives and talents within a firm and those external to the firm or the consuming members of the economy. As the well-being of soldiers is the grave responsibility of the general, in both demise and victory, as the well-being of the democratic nation is in the hands of those in positions of political power, the capitalist is responsible to the people who operate in his circle of influence.

To use a modern example, an international business is responsible to the people of the wealthy nation in which exists its market as well as the people of the developing nation in which exists production. The current model of production contained within certain socio-political borders and consumption contained in another is neither responsible nor sustainable. If we accept capital, we must accept the responsibility that comes with its power that it ought to be used for the flourishing of humanity, not for a notion of wealth obtained through coercion.

If leadership does not serve the needs of those people over which he holds power, his leadership will be short lived. As history shows, the leader neglecting the led is soon removed from his position of power, often times forcefully.

If the industrial leader, the manager, or the capitalist wishes to lead properly and in a stable manner, he should have as the ends of his pursuits humanity within industry. As he wishes for people to remain under his influence and for them to work with not only their hands, but also their hearts and minds, he must care for these as well. He is called, in fact, to allow workers to return to a state of internalization in the deepest and truest possible way.

As management often speaks of “ownership” of an idea, project, or solution, meaning that some “buy-in” and “possession” is necessary for a worker to fully engage himself in a particular effort, the

deeper challenge is to bring this from a thinly applied management technique to legitimately creating an environment in which he internalizes his efforts to achieve flourishing. This is accomplished by legitimately eliciting the contribution of others. It is not creating the perception of ownership, it is enabling collaboration and the self-actualization of others.

The most valuable form of work creates meaningful human relationships, rather than divides them as do the economics of low-cost labor. Work which elicits the highest faculties from human beings, engages the worker rather than requires disengagement and detachment. Work which requires the development of skill and knowledge rather than presupposing a lack thereof, necessitates the development of character and principle, rather than promotes and profits from the lawlessness and the low quality of the untrained, the uneducated, the careless, and the irresponsible. Work as rich activity in which the entire human faculties can be engaged and flourish, is an essential contributor to the prosperity of a society.

Humanist Philosophical Models

The nature of coercion and alienation in economic models has been identified. It is also apparent that improvement beyond the status quo of this economic paradigm is desirable. The suboptimal, non-human centered economic theory can be greatly informed by the philosophers in history who have rooted their assertions in the capability of human beings knitted together in the fabric of society. The following text discusses the impact the human centered view has on the organization of our social structures.

Plato describes the formation of a city not motivated by profit, but by the social nature of the human, and by the recognition that humans are stronger and more prosperous as partners and helpers. The notion of partners and helpers is the basis for all economic action; profitability will naturally follow, but is never primary.

The Confucian scholars assert a sort of system of governance that meshes well with Plato's economic vision. Confucian governance is ultimately a humanist model rooted in providing for the needs of human beings, cultivating ones society to a state of productive harmony, and lastly acting in governance. Both of these contrasting theories of the ideal society lay a foundation for the discussion of the Human Centered Economy described later.

In distilling the principles that operate beneath the surface of these philosophers we can find a consistent pattern emerges to build the structure of society. The foundation is humanism; humans have innately value to society, but are, in the state of nature, in raw form which when organized provides a greater benefit to all. Cultivation is then described as the process by which the raw human being is shaped into a contributing flourishing individual. Intertwined with both humanity and cultivation is the necessary result of community. Acknowledgement of humanity and cultivation creates a harmoniously aligned group of individuals which can be called a community. Existence within, and contribution to this community is of the greatest aspiration of humans as social beings. An amalgamation of Humanity, Cultivation, and Community is the framework in which the human being can self-actualize and prosper for himself and others.

The Platonic Economic Community

The economy of ancient Greece revolved around the skilled craftsman. The systems of production and education were unified as the *apprenticeship model*. The apprentice absorbed the knowledge, both tacit and explicit, from the master who had learned before him and he in turn contributed to his profession by passing his skills on to the next generation. In this way knowledge propagates and sophistication emerges.

The master and the apprentice are constantly in a dialogue in which the master conveys as much skill as possible to the apprentice. As the apprentice grows in skill and capability, so too does the master grow in teaching and in productive capability. The apprentice's youthful energy and unformed creativity bring new light to his craft. His ignorance and questioning require the master to gain a deeper understanding of his own actions and techniques. In this way, education is a process of renewal and reinvention. There is minimized competition and tension between the old ideas and the new, for there is a continuing process of development that assumes a smooth and natural progression. The actors in this model are interdependent, bound together by the desire to make a living, and also by the love of their craft. The two stand shoulder to shoulder to accomplish the tasks at hand. The apprenticeship model marks nearly every prosperous society in history.

Plato viewed the craftsman as an essential class within the ideal state. When Plato lays out the framework for the ideal state in the *Republic*, he speaks numerous times of the necessity of economy and of the craftsman. Take for example the following passage in which Socrates is conversing with Adeimantus:

"I think a city comes to be because none of us is self-sufficient, but we all need many things. Do you think that a city is founded on any other principle?"

No.

And because people need many things, and because one person calls on a second out of one need and on a third out of a different need, many people gather in a single place to live together as partners and helpers. And this settlement is called a city. Isn't that so?"

It is." (Republic II, 369b-d)

Plato's vision is that human needs bind a community together. Those needs of food, clothing, shelter, finer things, and human desire to act socially bring us together into a cohesive human group. Within this human group blossoms an economy, but for Plato, it is an economy motivated by individual needs developed through the relationships of "partners and helpers." It is not the desire for wealth that motivates individuals to form a community, but the recognition of their inadequacies living as individuals and a lack of fulfillment in the solitary life. (Cohen, 2000)

From Plato's perspective, our competitive instincts can bring us only so far. Greater capability is formed from interdependence and the natural desire of humans to contribute to a social group. A community of partnership provides more for each individual, improves the quality of life, and provides flexibility to incorporate specialized human talents. Darwinist competition drives progress only so far; the ability of human beings to function in an interdependent community drives prosperity far beyond competition.

Overcoming Economics of Division

Given these premises, it would seem that our economic arrangements should function to build our communities. Humans come together into partnership to fulfill their needs, but often in wealthy modern democracies many of these needs are filled in absence of belonging to a defined community. The citizens of wealthy democracies no longer have needs provided for by the local community. These needs are, in fact, provided for by the very division of community. The developing economies, from which we obtain a great portion of our wealth, generate wealth precisely because of the separation in community.

The separation in governance, economic development status, and national or cultural ethos are the mechanisms by which the imperial or neo-colonial economy functions. Access to low cost labor, which is perceived to be the dominant mode of wealth generation, assumes there must exist at least two

communities, one of lower economic status providing the low-cost labor and the second distinct community which accesses this low cost labor for the production of its wealth. (Lawrence, 1994)

It is now critical for our economic stability as well as the closely aligned issues of sustainability, justice, and peace that we change the model of wealth production to one which enhances and supports community rather than one that creates increasing needs and unrest by institutionalizing the division of wealth and poverty.

The economy of the bygone era is certainly less powerful than our current model in creating short term wealth generation. But there are key features which the mass production global economy destroys, which were strongly intertwined in the craft economy.

Economic Actions and Community

The first key feature of the economic community currently on the wane, is the role of economic actions play in building a community. As Plato has demonstrated, economic exchange can drive the cohesion of a human group. Face to face interactions, the process of personal delivery, advising during the selection of a product, and very fact that a business exists within a defined community promotes interdependence. Economic actions within a defined tangible community strengthens the general perception of interdependence. Economic actions without allegiance to any particular community can leave a an economic actor without direct accountability to any particular community.

Humans have an innate desire to be social animals and also a desire to provide for their individual needs. If these two things can be developed mutually inside a system of commerce, human beings will certainly be social animals who work in partnership, when it is easily recognized that their partnership strengthens their ability to produce value. (Cohen, 2000) An economic model that does not directly reward equal partnerships and mutual prosperity should be revised to promote a more responsible use of human capital.

In the current Mass Production Global Economy, it is widely perceived that the very separation of human beings fuels the production of value. Economic, political, and cultural barriers are leveraged to allow the production of value for certain groups. The division of human beings is necessary for the current models of business to function. This leaves these models to fall short of fulfilling the truer needs of humanity.

The promotion of economic models, in industry and academic circles, which legitimize the division of humanity and community for the production of wealth are limited, detrimental to humanity, and short sighted. The current paradigm seems to separate human beings so significantly, that we have heightened the need for technologies that present opportunity to reconnect with each other. We desperately need to re-envision economics in a way that supports the principles of interdependence through the very actions of economy.

Provision, Cultivation, Governance

Confucius carried the basic philosophy that the only way for a stable society to exist for any length of time was to first provide people with the necessities of life, second to cultivate and educate them, and only lastly to govern the society. Once the basic animal needs of people are satisfied, their minds and talents are freed for higher pursuits.⁴ Additionally, for Confucius the highest form of

⁴ Confucianism outlines a three stage approach to governance: First, provision of needs, then cultivation, lastly governance. This corresponds to the theory of Maslow in that the provision stage is basically satisfying the physiological and safety and love needs. The stage of cultivation corresponds well to the esteem and self-actualization needs. Cultivation is allowing and educating people to achieve esteem, recognition, respect, and self-actualization. These things together, in terms of Confucius

government is when the governing must do nothing at all. The ideal emperor must do no more than sit in the traditional position facing South, for the hunger of the people is satiated and they have been well cultivated to act harmoniously within the society. The role of the ideal leader is, therefore, to do as little as possible since the constituents of his leadership are so harmoniously cultivated that they operated autonomously in a natural rhythm. Through the satisfaction of the basic needs of life, and then a process of cultivation, education, and socialization, a human being is formed into one who can act with autonomy, contribution, and benevolence. (Ivanhoe & Van Norden, 2001)

Although Confucius broadens the idea of education to that of cultivation, in our context the meaning is much the same. A business is small society. A business also drives a surrounding economy within which it possesses significant influence. Inside this network of relationships there are individuals with differing interests, goals and aspirations. Left uncultivated or uneducated, individuals know not how to act productively together and relationships are left unformed. The way in which a human learns an art, science, or craft is a sophisticated and nuanced process. Cultivation begins with parenting, then expands to the immediate environment, then to formalized education, and, normally, a work environment. It is through the cultivation of this society that humans create a well-functioning, productive community.

Let us take a few real world examples for clarification. I will speak of the machining industry because it involves both knowledge and skill. I once had the opportunity to work at a small machine shop which specialized in making high precision cutting tools. Being but a novice, I was on the coat tails of the veteran machinists trying to learn anything they would teach me. Machining is a very male dominated trade and that it holds a very specific work atmosphere. As an apprentice, one is often no better than the metal chips that litter the ground. Anything that you do, no matter how proud of it you are, has already been done by a thousand other machinists faster and with greater precision. Additionally, no one is afraid to let you know it.

The machinist who began to “train” me learned his trade in the late seventies. The people, from whom he had learned his craft, came from the old school of American Industry, still feeling the sting of Mass production and corrupted Scientific Management. (Taylor, 1886) Bill had to fight tooth and nail to learn his trade. Bill’s teacher knew that as soon as their craft could be systematized and taught to someone of lower skill and wage, he would be labeled as an unnecessary expense. The veteran machinists at that time knew what was going on around them and rebelled by guarding their knowledge. Being the only person able to do something gave them security. It was a perverse and corrupt system in which the prosperity of business was the impoverishment of the workforce. The livelihood of the workers constantly being in jeopardy created a terrible environment for the advancement of the field and the transfer of knowledge. “They used to hide their setups,” Bill would say, “no one made it easy for me to learn.”

I didn’t care at all how much Bill verbally degraded what I was doing. As a matter of fact it made it that much better when he actually gave me a compliment, or rather a brief statement like “Yep... It fits.”

Bill was very protective when I did something beyond my job description and always produced a slight smile when I made an expensive mistake. For him, it was a sort reassurance that a young fairly intelligent kid, who had the better half of a college education couldn’t do what he did. Despite the discouragement, I knew Bill had a wealth of knowledge to give and I accepted whatever scraps of wisdom he threw in my direction. I believe that my ability to endure Bill’s degradation with a smile and an attitude of “I will learn whether you want to help me or not” gained his respect. I took his sarcastic

or Maslow, are the basic building of productive capable humans who weave together into the productive capable network of society.

remarks as an opportunity to hone my own skills of sarcasm and wit. We eventually came to an unspoken understanding, and I learned a great deal from Bill for the next two weeks until he left the company where he had worked for over twenty years to go to one that offered him more money, responsibility, training, and opportunity.

This experience exemplifies the necessity of provision and cultivation. Without the provision of security and safety a human being will never reach self-actualization. (Maslow, 1943) In the case of American Manufacturing, the threat of personal loss and unfairness played out as the overall retardation of the advancement of the entire field. (Walton, 1986) In order to create a culture of productivity, free flowing knowledge, and interdependence, humanity, provision, and cultivation must permeate daily actions.

Provision

To be clear, it seems that overall for the relationships within a group to be successful they must follow a general pattern. First are provision and security so that individuals are not protective of knowledge and skill or anything within their possession. Just as in a small country town it is common to leave ones doors unlocked while in Brooklyn one wouldn't dare to leave an electronic device locked in a car in plain view. Those who are hungry cannot become proficient at much more than satisfying their hunger. Humans innately possess higher motivations that simply to climb above the pit of poverty; they must simply be given the chance to emerge.

Cultivation

The next developmental influence in a community is cultivation. The obvious point here is that an individual who is uncultivated, or even one that learns completely on his own, is not nearly as skilled as one who learns from a practiced master. Cultivation, as a teacher-student relationship operates on multiple levels.

The development of the student's capability is accelerated. The student's productive capacity is enhanced through cultivation of raw talent. Second, the student acting as a mirror and interlocutor to the teacher deepens the teacher's insight into his own practices and body of knowledge. Third, the process of teaching legitimizes and validates the human value of the student. The student is the object of respect and focus, rather than the object of production being the main focus. Lastly, a relationship is developed between the two that is truly interdependent for both parties create mutual benefit through this act of benevolence and the assertion of human value. Proper teaching, itself, is the creation of human dignity and value, whereas task oriented management is the subjugation of human value to inanimate material.

The teaching relationship is one of mutual development where the teacher masters his craft at an increasingly deep level as he organizes the information of his skill for the understanding of the student. The teacher's need to clearly present his material to the student creates another level of mastery. The teacher is not merely teaching the student, but the two individuals are progressing together towards a common goal of deepening their skills. This feature of the teaching relationship has an unbelievable power to forge the respect, loyalty, and trust essential for the productive interdependent relationship.

The ideal relationship of the master and apprentice is much different from that of the manager and the subordinate. While the manager is a quasi-psychologist of motivation and accountability, the craft master is looking specifically to develop the finest craftsman he can. The teacher finds a harmony between accomplishing objectives, growing talent in his community, the advancement of his own practices. When Artushi Nimmi the Japanese CEO of Toyota America was asked his thoughts on the problems with American management he responded simply, "They want to be managers, not teachers." (Liker & Meier, 2007) Neither, business, government, nor broader society are founded on management, these are all founded on the cultivation of capable and virtuous people.

Further, when an individual is not actively cultivated towards personal growth, she is cultivated by defect. She is defect-cultivated to understand a stagnant way of life, a life where progress and personal growth is foreign and unnecessary. A sufficiently rich process of cultivation develops the skills necessary for coping with the environment and drives a person forward along their path by identifying their unique talents and presenting opportunity for their maximization. Defect cultivation influences the economy and community towards minimized prosperity. The prosperous community should unwaveringly avoid the easy indolence of the defect-cultivation process.

Cultivation works not on the Darwinist drives of hungry animals, but functions on a higher level in the human hierarchy of needs. Humans are cultivated as social beings who desire to contribute and be valued for their contributions. It is a higher level of Maslow's hierarchy.⁵ Unlike many other animals, humans are born insufficient in coping with the reality around them. The process of care, dependence, and cultivation is a fundamental attribute of human life, and should be carried out for the maximization of talent and human value.

Education

Intertwined with the concept of cultivation, there is the more widely accepted process of education. We prize highly the formalized education. Today, the college degree is practically a currency all its own, employers ardently seek it, and society places a high value upon it, regarding it as a means by which to find security and prosperity. At the primary educational level we find education increasing in both importance and, unfortunately, inadequacy. It is further hypothesized that educational performance can be an indicator of future economic performance. As the economic performance of an individual is clearly attributed to education, so to can we attribute the total economic performance of a nation to some function of educational performance.

It becomes increasingly difficult to find a secure field without the completion of basic education. It seems only logical, if one can see formal education external to one's profession as increasingly necessary for success, this idea should filter into all aspects of life. One who wishes to be a successful parent must learn the skills of successful parenting. The successful professional must learn to become proficient in her field. Education should not be a concept limited to formalized and institutionalized systems, but is a process that pervades all aspects of human life as a sufficiently rich category that encompasses learning through practice, study, and interaction. The constant pursuit of knowledge, or at minimum a constant openness to knowledge, develops mutual understanding and interdependence in a community. This constant openness also creates positive skill gains which in turn benefits the economy. Education as a significant portion of cultivation drives the success of an economic community.

Governance and the Practice of Ritual

After the provision and cultivation stages of Confucius's leadership have taken hold, one can then approach the task of governance, or what we might more readily refer to today as "management". Certain traditions and rituals provide order in the work environment. Everything from the formalities of the application and interview process to the corporate dress code exist to impose a sort of hierarchy and order to the business structure. The well formulated business letter, the business analysis report, the proper acknowledgement of colleagues and superiors are all rituals that knit together the business

⁵ The animalistic behaviors, based upon fear and self-preservation, operate on the lowest portion of the human hierarchy of needs. These animalistic behaviors drive Darwin's theory of competition for resources in nature. Darwinist theories of competition, which informed the evolution of capitalism, generally operate within the non-rational faculties of the human being. A model of prosperity which seeks to actualize, and find fulfillment for each human being operates nearer to the top of the hierarchy of need focusing on collegiality, contribution, and self-actualization.

community.⁶ Economic and business rituals should be scrutinized for their effectiveness in developing respect, community, and contribution.

As the structure of a business, government, or society develops we must pay close attention to the rituals that make up its structure. For the concept of ritual action is the underlying principle upon which we autonomously function within unspoken, invisible and forceful guidelines. Rituals are the tangible components of culture. Take for example the handshake. It is an action so simple, it happens without thought. In much of European and American culture it is a universally accepted symbol of greeting, respect, friendship, trust, and agreement. It is an action that simplifies an extremely complex set of human principles and embodies them in a simple action. A business, society, or government which has built a system of value driven rituals will develop a strong community.

We can analyze many of our daily actions as a network of rituals. Please, thank you, the provocative speech, the recollecting of blessings and sin in prayer, the sincere apology, the earnest and arduously crafted letter, the round table, the treaty, are all outward expressions of the deeper meaning of the ritual. The constitution has no meaning without the history of struggle, the collaboration of the virtuous characters of genius, and fundamentally understood principles of humanity it represents. It is a representation of the beliefs and culture of our society that we accept as fundamental truths. Ritual actions are a foundation upon which humans socially function.

It is a general convention that an employee works for an employer to receive something in return. It is this base principle of economic exchange upon which the business relationship is founded. One can also look more critically at this process of economic exchange. The exchange of currency is seldom direct in the modern business environment. Usually one does not receive compensation from the individuals with whom one works, and many times an individual does not even see the payment transaction happen. One simply checks the online bank account at the end of the month to see that a sum of money has been deposited. Therefore the ritual or outward symbol of fair exchange is no longer observable by both parties. The ritual that is so important in the business environment is removed from the general proceedings of business. This removes significant opportunities for the development of relationships, acknowledgement of success, and the satisfaction of economic transaction from the process.

Philosopher Matthew Crawford beautifully describes the place of ritual in the world of a motorcycle mechanic. He writes of the rich feeling of interacting with a customer whose motorcycle he had just repaired. Crawford describes richly the laborious repair of the machine and his ethics of calculating the bill given his own mistakes in diagnosis and repair. He further describes the grin on the owner's face as he rides for the first time in years a machine that embodies his freedom and the feel of the wad of bills in his own hand as the machine and customer roll away together. It is the rich human experience such as this, founded on rituals which we forget to recognize in our efforts for process, policy, and efficiency. (Crawford, 2009) Such rituals are essential experiences in human life which enrich human existence and make tangible community.

These rituals are one of the ways in which the crucial abstract concepts are made tangible, which increases widespread comprehension. The exchange of currency in a fair manner develops the relationship of respect, and the exchange of knowledge also helps develop a relationship of respect. Once a system of respect and trust has been established between colleagues through the embodiment of effortless ritual, the process of management will decrease in required effort.

⁶ Confucius asserted that rituals have a quasi-magical power in organizing humans into an interdependent network. Our social interactions are all rooted in ritual and tradition. One who, through cultivation, becomes a master of human rituals can master leadership and society. For Confucius, a master of ritual is one who understands the polite and proper ways of communication, perhaps the rituals of business and government, those of family and religion. He who is successful in navigating the rituals of all aspects of his life will be successful and prosperous.

Rituals should be analyzed for their effectiveness in creating a productive and healthy culture. For example, the annual performance review where the manager takes up a different social role for a few weeks to appraise the value of a worker may seem overly stressful and awkward. It may also be unreasonable to assume that a team member can reach maximum potential with only a yearly assessment rather than a more consistent system of feedback and learning. The teaching relationship, in which the superior is constantly monitoring, testing, and developing the talent of the subordinate, is certainly a more functional ritual than that of the delegating manager who judges once a year with the promise or threat of compensation change. The rituals that express the beneficence of the teaching relationship are integral to cultivation and the development of community.

Cultivation can be recognized in many of the developed nations of the world. Although many nations have growing economies and particularly those nations advancing from the third world to the first exemplify a startling amount of growth, those with the most stable political systems and the most prosperous peoples, generally speaking, are those nations with well-developed educational systems, established political systems, and other mechanisms for unifying the people. It is through the process of cultivation that harmony and progress is achieved.

In summary, the framework for leadership which Confucius developed in the 5th century BC holds as much significance for the modern business leader to understand his craft as does Plato's Republic hold significance for the leaders of modern democracy. It can be seen quite clearly that a social structure which follows in one form or another the general pattern of provision, cultivation, and governance will be successful in developing a community which consists of a network of successful well-functioning relationships. A structure of power that provides the opportunity of elevation for an individual is more readily accepted than is one of stagnation or coercion. Additionally, the relationships that this framework develops are ones of mutual success and interdependence which are the necessary and sufficient conditions for the development of a high performing society.

Value beyond Profit

In the school of Classical Chinese Philosophy, the second most important thinker next to Confucius is often thought to be Mencius. Mencius learned the Confucian tradition and argued that rooting one's actions in the generation li, "benefit" or "profit" will be self-defeating." (Ivanhoe & Van Norden, 2001)

Mencius had an audience with King Hui of Liang. The King said, "Sir, you have come, not regarding one thousand li as to far. Surely you will have something to profit my state?"

Mencius said in response, "Why must Your Majesty say 'profit'? Let there be benevolence and righteousness and that is all. Your Majesty says, "How can my state be profited?" The Counselors say, 'How can my family be profited?' The scholars and commoners say, 'How can I be profited?' Those above and those below mutually compete for profit and the state is endangered.

There have never been those who were righteous and abandoned their parents. There have never been those who were righteous who put their ruler last. Let Your Majesty say, 'Benevolence and righteousness,' and that is all. Why must you say 'profit'?"

This may be a shocking assertion to business scholars, but profit is a thin and instable measure of economic progress. Productivity, quality, skill, education, knowledge and virtue are all critical components to the economic community from which profit is derived. Profit is such that a business must look towards these concepts in order to create profit. It is understood by highly successful businesses that these concepts must be adhered to for stability and success. The generation of profit without the promotion of these underlying concepts lessens the value of a currency and corrupts economic actions. In an economic community founded in "benevolence and righteousness" prosperity is widespread regardless of the limited measure of profit. Shared value within the community is of the highest importance, profit comes secondarily.

True Leadership

In one of the transcribed debates with King Hui of Liang, Mencius states:

“...But if you insist then may we talk about being a genuine king?”

Xuan said, “What must one’s Virtue be like so that one can become a king?”

Mencius said, “One who cares for the people becomes a king. This is something no one can stop.”
(Ivanhoe & Van Norden, 2001)

Mencius asserts here a deep cutting argument. An individual who acts invariably in accordance with the best interest of people will naturally rise to power. This is an inescapable law that has governed the history of the world. Revolution is an upheaval due to unrest of the people. Leadership is overthrown when it acts against the people and is stable when it acts with benevolence. It is normally thought that without the process of institutionalized democracy, governance is conducted without the choice of the populous. Mencius, however, tells us that we can examine history and trace its pattern by looking at those leaders who acted in benevolence as surrounded by times of prosperity, and those of malice and oppression as surrounded by times of upheaval. There is no way possible to lead with coercion, oppression, or malice, for these will be met only with repeated revolt.

Taking a look at Mencius’ statement from another angle, it can be shown that the true power of any leader resides in the support by the people. Regardless of institutionalized democracy, leadership is driven by those people who are willing to follow. People are willing to follow and will naturally seek an environment of benevolence. The only true leadership is therefore benevolence.

It is the recognition of humanity and care for it that raises one to the truest state of leadership. He who asserts his coercive power is not a genuine leader, but one who will surely over time be replaced by another who assumes his position by the elevation given to him by the people in his care and influence, his community. It is by virtue of care for humanity that one becomes a genuine leader.

Productive Capability

A productive capability theory of value holds a harmonizing power. As a worker increases in the ability to produce value, his value should increase as well. The productive capability theory of value holds that an individual’s capability to produce is an assessment of his value. This sense of value harmonizes both the internal and external assessments.

Productive capability, through skill, knowledge, and human relationships, helps to give an individual a sense of community, accomplishment, and fulfillment. His productive capacities internally satisfy his needs to contribute to a community. Seeing one’s own influence and works in the external world, integrated into the community, gives one pleasure and a sense of achievement. The actor is driven to produce by his will to entertain others, the writer by the reflections of his thoughts in the public, the engineer by seeing his ideas take shape in the world. Production of value for other human beings brings satisfaction and fulfillment.

Externally assessed value is also in correspondence with the measure of productive capability. When the members of a community recognize an individual’s capability to produce value, his externally assessed worth is also elevated. He will somewhat naturally be given greater opportunities to produce value. The capable machinist will naturally be given more work; the capable physician will be given more opportunities to assist people in achieving health. Again, although no method of assessing the action of human beings can be complete, but the value measurement of productive capability far outperforms the measurement of labor and market value in corresponding with reality.

In summary, it can be easily demonstrated that economic measurements of labor, capital, and market value fail to properly assess those values of highest importance. The assessment of value by

productive capability harmonizes individual fulfillment and the needs of a community, and guides the individual and the community to an elevated state of humanity. This is true on both micro- and macro-scales, small businesses and national economies. The measure of a business should be directly related to its ability to contribute to its customers, employees, and the surrounding community. This assessment of value is also without the logical contradiction that an individual's value decreases as he becomes more productive and increases the value of the world of things.

The Humanist Economy

The only way that industry can overcome its criticisms of greed, degradation of work, alienation of labor, division of community, etc., is by fully recognizing and reintroducing the concept of humanity. Once the human element of the industrial economy is recognized, a new paradigm is entered in which struggling in an insidious circle of coercion masked by the marketed promise of prosperity is risen above.

As business acknowledges the humanity of its workers and progresses in affirmation of this humanity, workers will inevitably become more engaged and more productive. There is no way to directly influence or motivate an individual, one can only develop an environment which is itself motivating and attracts motivated individuals.

When a business subscribes to certain modes of measurement, it is somewhat natural for workers to subscribe to the same system of measurement. If an employer presupposes mindless and careless work by instating a low price, so shall the work be completed. If a firm is concerned with profit without self-improvement, so too shall the workers pursue profit without self-improvement. If a firm develops its business on principles of skill, education, continuous improvement, community, and humanity, so too will the workers develop in these categories. As with Plato's potter, the proper distribution of wealth is necessary to develop a productive, flourishing human system.⁷

If one is to deeply reflect on the influences and motivations of an economic system, one is faced with an impossibly daunting task. At best, one can construct frameworks that not only describe but actively influence our economic and human practices. There is an infinitely thin line between understanding economic practices as motivated solely by one's own interests and finding a harmony between one's own interests and the interests of those connected in community and partnership.

If one takes up the analysis Adam Smith began as the father of Capitalist thought, claiming that, "it is not from the benevolence of the butcher, the baker, or the brewer that we expect our dinner, but from their regard to their own self-interest", there arises the paradox of modern economics. (Smith, 1991) A player in the game of economy can undertake many different roles. He can use position, capital, knowledge, skill and practice to benefit the economy as a whole or he can use his position to leach from the common stock of mankind.⁸ This economic practice becomes a question of moral philosophy. How should one carry out economy practices to create human flourishing, health, happiness, and progress?

⁷ In the *Republic*, Socrates questions the amount of wealth that should be appropriated to a potter for his craft. A potter who acquires too much wealth will then care for his wealth, not his craft, and will become a worse potter. Similarly, a potter who possesses not enough wealth will not be able to support apprentices and purchase proper tools. He will then also become a worse potter. The flourishing of a human requires a balance between unnecessary wealth and crippling poverty. Both wealth and poverty can corrupt and this corruption must be guarded against.

⁸ Well-being, economic or otherwise, cannot be created by pure self-interest. Since we live as social animals interconnected in an economy and a society we are constantly called to have a nature regard for our fellow human beings. An economy without benevolence, especially in the technological paradigm, will not lead to flourishing. In fact, as Plato suggests, an economy is based on a principle of partnership for the fulfilling of the needs of the broad community.

Productive Action, Education, and Relationships

Contrary to the current mode of thinking where economy, production, community, and education are all separate institutions with autonomous non-collaborative administration, the craft model combines all of these institutions into one single entity. The apprenticeship model is simultaneously a mode of production serving the material needs of a community, the building of deeply beneficial interdependence through mutual learning, and the transfer of knowledge for the continuity of a particular field.

It is not proposed that we return to the simplicity and limited capability of small scale craft production. It is, however, suggested that we comparatively analyze and recognize the systemic shortcomings of global mass production, for the widespread benefit that can reform failing modes of education, production, economy, and community.⁹ (Womack & Jones, 1991)

It is of further interest that those fields which require an extremely high level of competency which were not historically subject to the mass production paradigm shift still retain the apprenticeship model. For example, after the completion of a degree in medicine, a physician must continue her learning in an apprenticeship educational model known as a residency. If the physician wishes to enter a further specialized field, she must again submit herself to further apprenticeship in order to learn the nuisances of a sub-specialized position.

The apprenticeship model can also be seen in other fields where a high level of competency is required. For example, executive leadership is almost invariably developed through a process of grooming, working collaboratively in a parallel capacity, and through the development of interdependent relationships. In the executive case, it can also be noted that capability is not an individual concept. The grooming of an executive team member is as much an internal learning experience as it is an external phenomenon in which the learner is familiarized and becomes interdependent with the team and network that is crucial to her effectiveness.

A final example is the training of a professor. After a student has navigated the lower levels of the educational system, and desires to pursue a career as a university level educator, she must enter into further education that is invariably modeled after the apprentice. The close level of collaboration and advising on a master's thesis and a doctoral dissertation closely mimic the functionality of the apprenticeship in which all knowledge, tacit and systematized, is transmitted through a process of interdependent learning. This educational experience, which is also productive in that it contributes value to the broader scientific community, also forges long term relationships of collaboration and the advancement of an intellectual field.

This pattern is obvious in a particular academic pursuit known as the Mathematics Genealogy Project where the development of mathematics can be seen to follow as set of human relationships. For example, Joseph Louis Lagrange advised Jean-Baptiste Joseph Fourier, who in turn advised Gustav Dirichlet. (Keller) As higher math textbooks will note, the relationships of mutual learning between these individuals certainly advanced the field. If we look at those people who we deem to have had significant impact on history, we will usually find a process of close mentorship and teaching during the developmental process.

⁹ Womack and Jones present the alternative theories of neocraftsmanship as pioneered by the Swedish automobile manufacturer, Volvo. In this system, a relationship between the human being and his work is preserved by having a team of 10 skilled workers assemble an entire vehicle. Also, at the very root of Lean Production, there is an often overlooked system of principle. Continuing/incremental improvement rather than rapid innovation, community rather than career, and value rather than profit are the core assumptions upon which true Lean Production is founded. Womack and Jones even present a case for envisioning marketing sales as a more honest exchange attempting to stabilize demand rather than drive an oscillating cycle.

. Education viewed as completely separate from productive activities will, by definition, fall short of teaching people the skills needed for productive action. Similarly, economic models and theories that define productive action and wealth generation as separate from the true and basic needs of humans fall short of the ultimate purpose of creating an economic framework that facilitates prosperity. We should view education, economy, production, and community as interdependent systems. These are not simply overlapping, but must be recognized as unified in their purpose to serve the flourishing of humanity.

Principles of Flourishing

A few basic principles necessary for human flourishing are distilled here. There are certainly other virtues that contribute to flourishing, but the following three are of the most basic nature. Humanity, Cultivation and Shared Value are pillars of the Economic community from which other supporting concepts stem. Partnership, helping, and leadership, for example, are all encompassed with Humanity. Teaching, Learning, Apprenticeship, ethical principles, and many other crucial come under the umbrella of Cultivation. Profit reinvestment, fair wages, pay for performance, and mutual success are closely aligned with Shared Value. These concepts, melded together, are the pillars of the Human Centered Economy through which we can achieve a much richer notion of flourishing and prosperity

Humanity

Humanity should be the foremost guiding principle of all economic action. Business is a set of practices that are carried out by humans as economic beings. Education is a process by which humans are cultivated to a higher level of capability. Community is a set of interdependent human relationships. And lastly, governance is the guidance of a human group. Human beings stand at the center of each of these concepts. The perspective of the humanist can inform economic structures, business models, and can accelerate the change necessary to revise failing models.

The institution which discovers the best way to unfetter the potential for the flourishing of individuals through contributing to a larger whole will define the economics of the coming era. This flourishing of individuals is reliant upon the success of the broader group. It can be easily seen that any flourishing human being does not flourish in a vacuum. She is nurtured, encouraged, and educated throughout life by the network of interdependent humans in which she exists.

Humanity is the question that should be asked at the point of turmoil. It is what must be recognized to repair those damages that have already been done. It is only through a true recognition of the value and talents of all our fellow humans that we can promote the greatest possible state of human flourishing.

Cultivation

Cultivation is a broad principle that encompasses formal and informal educating of a human being. Through cultivation the raw human substance is formed into a member of a network of interdependent prosperity. The acquisition of skills and knowledge as well as the socialization into the framework of the standing society are developed through a process of cultivation. It is nearly interchangeable with education, but is broader in scope. The traditions, rituals, and relationships of cultivation are the continuation and expansion of flourishing.

The root of cultivation is not competitive; it is a desire to improve through interdependence. Those who have already achieved a cultivated status are then responsible for the cultivation of the formative human substance of those individuals with less experience. One's cultivation of another mutually expands cultivation yet further. There is a shared responsibility and a bond that forms in true

cultivation. The vast majority of human beings desire to grow in skill, knowledge, and relationships with other humans; Cultivation is the process by which this occurs.

Cultivation is a process that the plastic state of the human being accepts its mold. It exists with or without our active awareness or will. Constructive cultivation occurs when a human life is recognized as a truly valuable asset and is developed in capability and companionship with her fellow creatures. It is almost invariably an active process by which one human being assists another in her development. Defect-cultivation occurs when the human life is left without sufficient assistance. This human is then defect-cultivated to a state of stagnation in which she does not recognize her own potential. This is the destruction of motivation and the waste of a human life and the unique contribution of this individual.

The process of constructive cultivation has a transformative power over social relationships. It is a process of empowerment rather than coercion, for it recognizes the uniqueness and value of each human and cultivates each one to the highest capacities of their individual talents. During this process of mutual learning between the teacher and learner, deep rooted relationships are formed. Relationships are built on cultivation. In this way human flourishing within any group is achieved.

Shared Value

The last principle to be discussed is Shared Value. It is the highest goal of an economic system in which an institution understands its position in relation to the other members of the broader community. It is a principle that calls for the unification of purpose of economy, community, education, and government for the single purpose of creating human oriented value. (Porter & Kramer, 2011)

Marx predicts that Capitalism will inevitably destroy itself given its self defeating logic. Shared value asserts that capitalism can be saved if we can recognize a higher purpose than the maximization of the singular measurement of profit. A shifting of the focus of our business endeavors towards human centered value may very well be the key principle that will stop Capitalism from self destruction or may at least retard the process.

In a broad sense, all profitability is contingent upon the needs of human beings. The orientation of business towards serving the needs of human beings rather than persuading human beings to adopt greater needs should create a more stable benevolent system of value production.

One example of a shared value institution is a university. Certainly a university can become corrupted if it moves to make profit its highest motivation, but generally speaking a university functions to serve a higher purpose, that of education. The university is dedicated to serving humanity through education. The institution functions in a network of relationships and is expected to provide value to the broader community. It provides value to its students by giving them the knowledge and skill necessary to cope with and succeed in life. It provides value to business by training a supply of talent and connecting the two. It provides value to the community by acclimating young educated people to the surrounding area developing the local economy. The university has a higher purpose than profitability and therefore is resistant to the turmoil of the broader economy by consistently providing contribution.

Shared value is a principle that must be understood and taken seriously if we do hope to save our economic structure from its predicted destruction and the current criticisms. Shared value is created by recognizing humanity, empowering humanity through cultivation, and thereby allowing the greatest amount of human flourishing.

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