

Towards a New Economic Science and Curriculum

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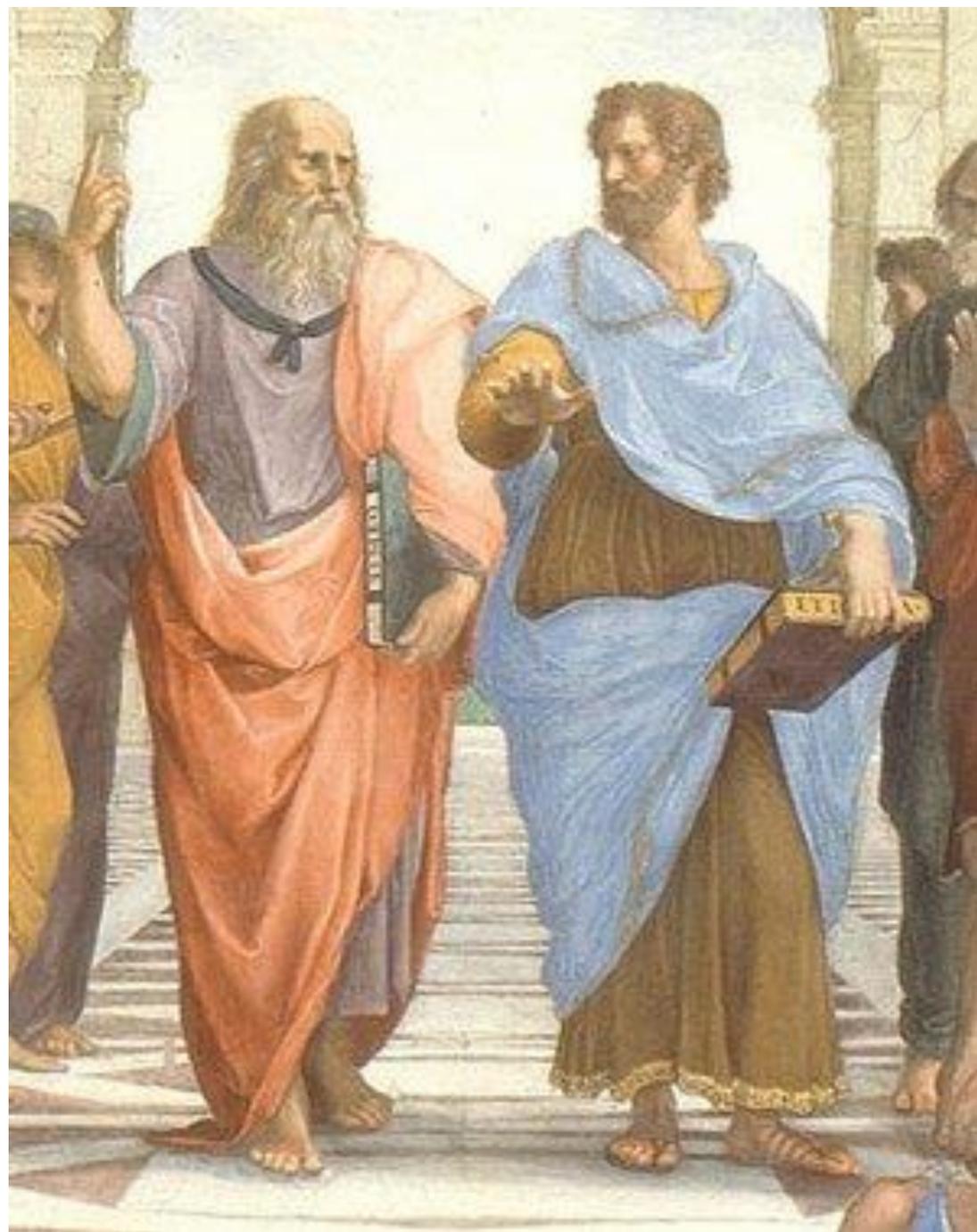
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The Catholic Social Teachings

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Works of Mercy
Master of Alkmaar, 1504

The Birth of Modern Psychological and Ethical Egoism



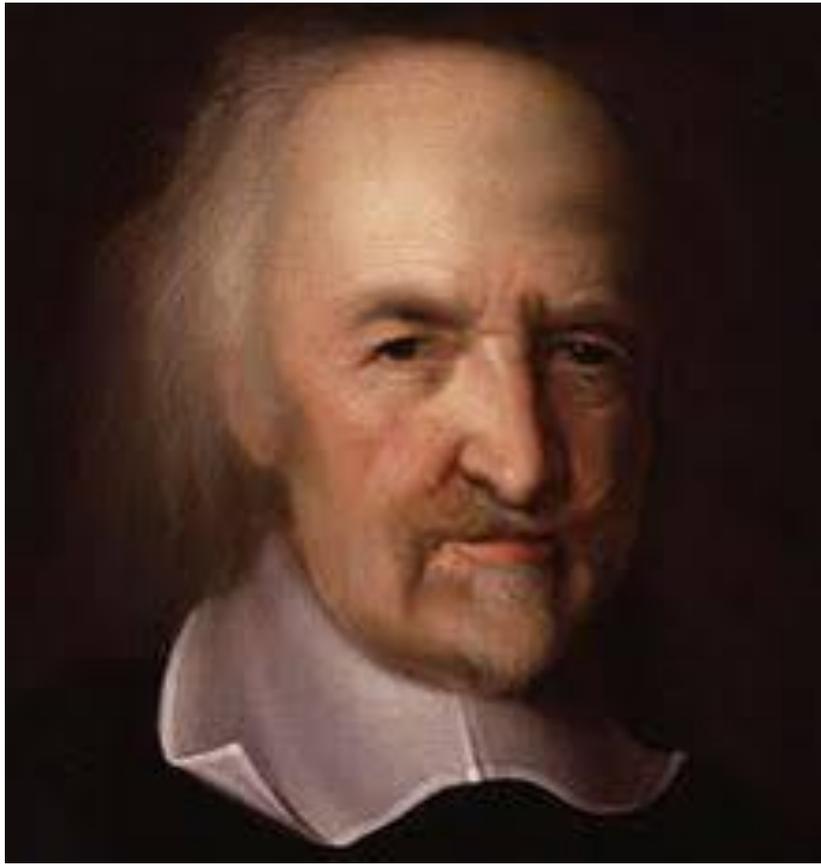
Machiavelli



Luther



Calvin



Thomas Hobbes:
Life in the State of Nature
is “solitary, poor, nasty, brutish,
and short”



David Hume:
“Reason is, and ought only to be the
slave of the passions, and can never
pretend to any other office than to
serve and obey them”



BERNARD MANDEVILLE
Fable of the Bees



ADAM SMITH
The Wealth of Nations

Thus every Part was full of Vice, Yet the whole Mass a Paradise; Flatter'd in Peace, and fear'd in Wars They were th'Esteem of Foreigners, And lavish of their Wealth and Lives, The Ballance of all other Hives. Such were the Blessings of that State; Their Crimes conspired to make 'em Great; And Virtue, who from Politicks Had learn'd a Thousand cunning Tricks, Was, by their happy Influence, Made Friends with Vice: And ever since The worst of all the Multitude Did something for the common Good.

Fable of the Bees, Bernard Mandeville, 1705

It is not from the benevolence of the butcher, the brewer, or the baker that we expect our dinner, but from their regard to their own self-interest. **We address ourselves not to their humanity but to their self-love**, and never talk to them of our own necessities, but of their advantages”

The Wealth of Nations, Adam Smith, 1776

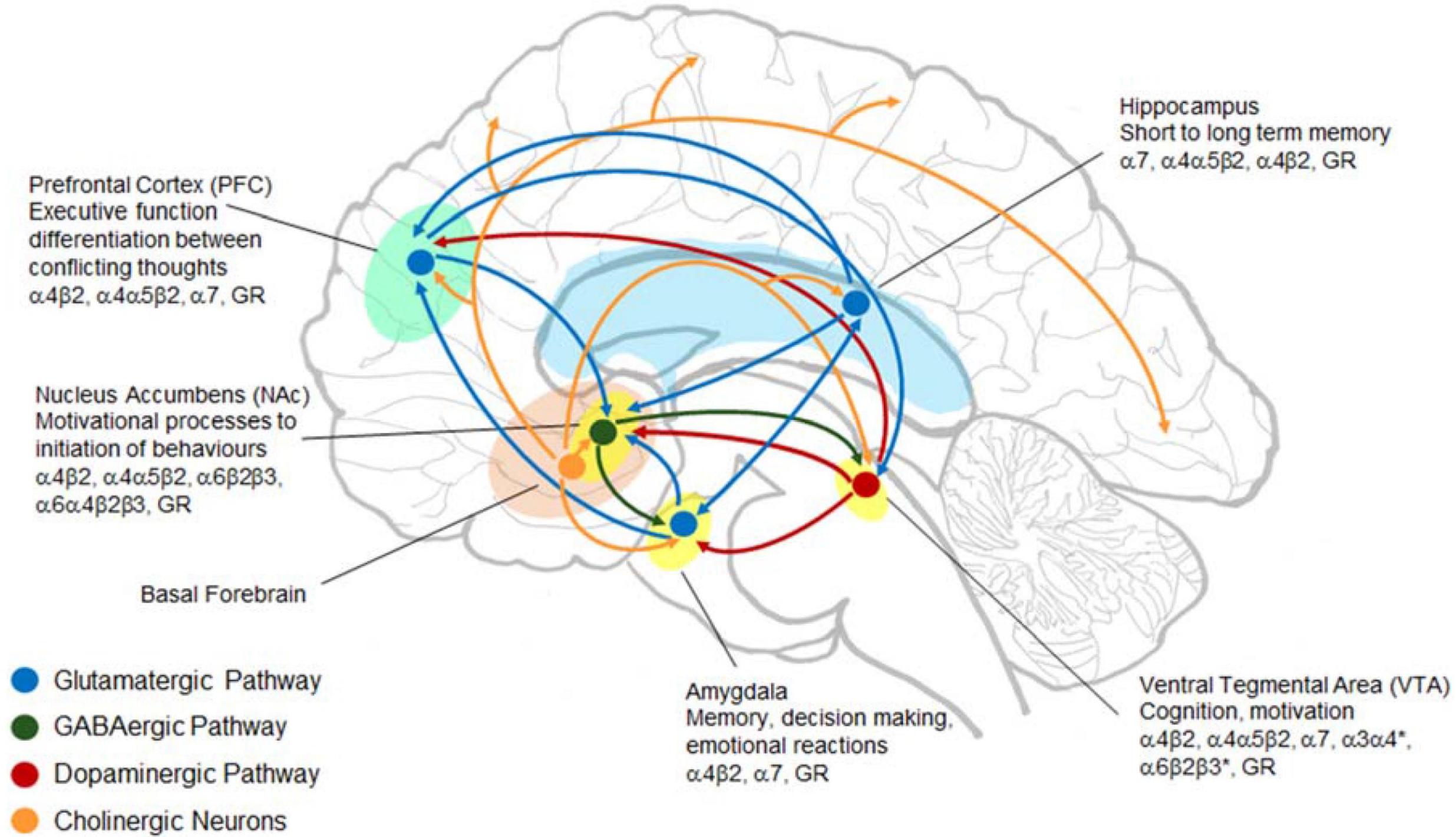
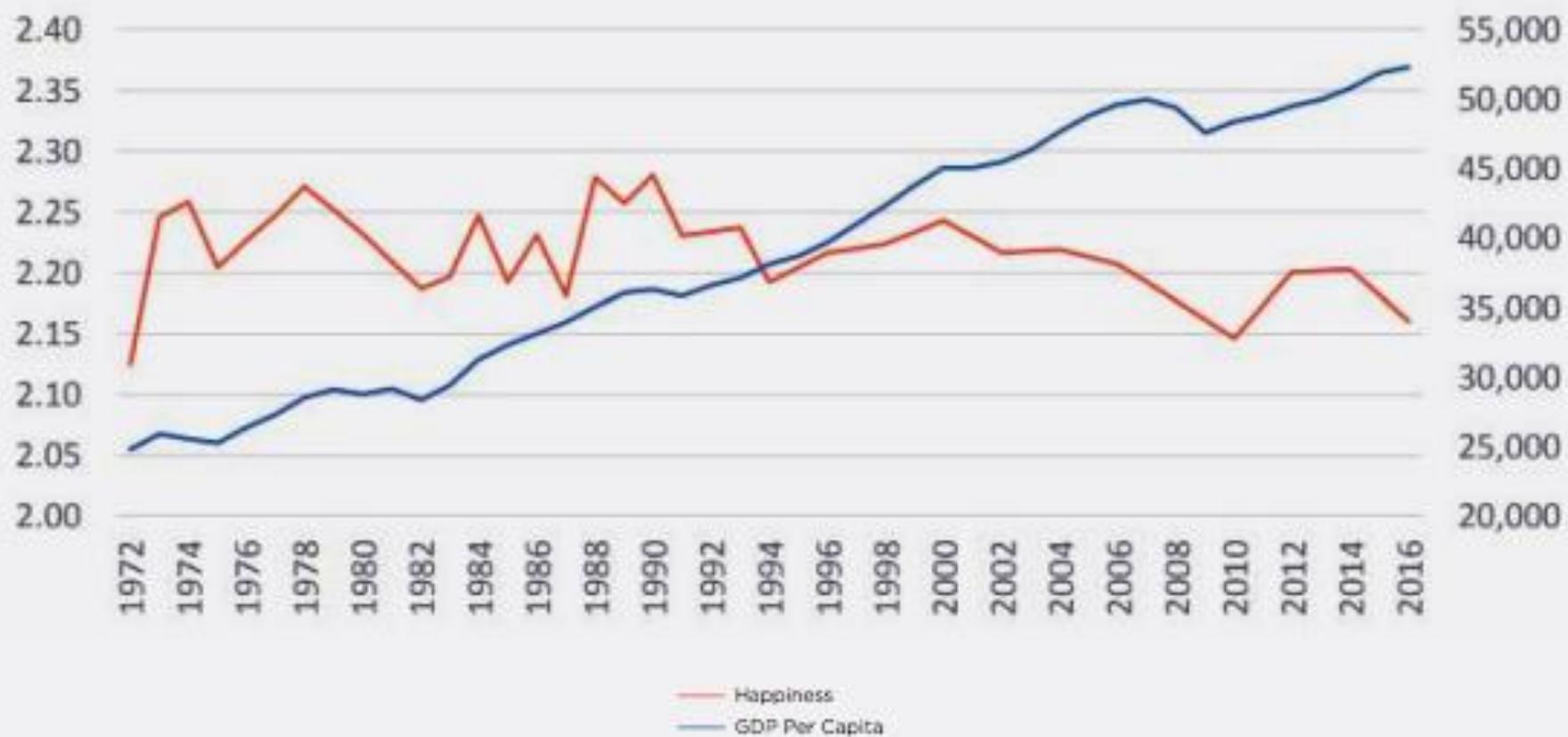
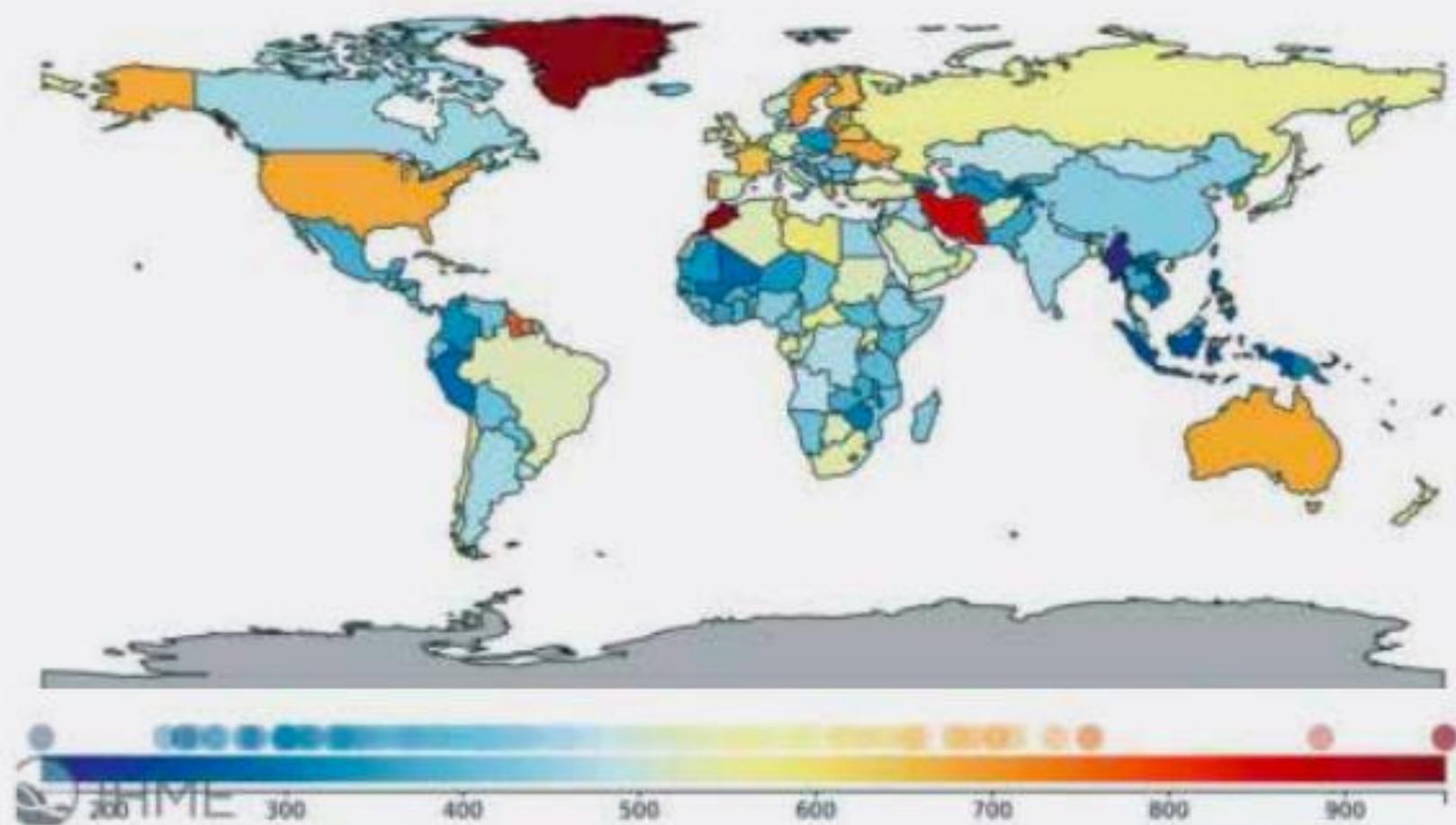


Figure 7.1: Average Happiness and GDP Per Capita, 1972-2016



**Figure 7.8: Major Depressive Disorder (MDD), DALYs per 100,000, 2016
(both sexes, all ages)**



Source: IHME

THE U.S. ECONOMY OF ADDICTION

OBESITY (40% in US adults)

SCREEN TIME (60% of teens say screen time “major problem)

GAMBLING (estimated 8+ million)

OPIOIDS (>42,000 deaths in 2016)

SHOPPING (5-10% of population)

WEALTH

POWER

HATE

Table 2.1: Regressions to Explain Average Happiness Across Countries (Pooled OLS)

Independent Variable	Dependent Variable			
	Cantril Ladder	Positive Affect	Negative Affect	Cantril Ladder
Log GDP per capita	0.311 (0.064)***	-0.003 (0.009)	0.011 (0.009)	0.316 (0.063)***
Social support	2.447 (0.39)***	0.26 (0.049)***	-0.289 (0.051)***	1.933 (0.395)***
Healthy life expectancy at birth	0.032 (0.009)***	0.0002 (0.001)	0.001 (0.001)	0.031 (0.009)***
Freedom to make life choices	1.189 (0.302)***	0.343 (0.038)***	-0.071 (0.042)*	0.451 (0.29)
Generosity	0.644 (0.274)**	0.145 (0.03)***	0.001 (0.028)	0.323 (0.272)
Perceptions of corruption	-0.542 (0.284)*	0.03 (0.027)	0.098 (0.025)***	-0.626 (0.271)**
Positive affect				2.211 (0.396)***
Negative affect				0.204 (0.442)
Year fixed effects	Included	Included	Included	Included
Number of countries	157	157	157	157
Number of obs.	1394	1391	1393	1390
Adjusted R-squared	0.742	0.48	0.251	0.764

Notes: This is a pooled OLS regression for a tapered panel explaining annual national average Cantril ladder responses from all available surveys from 2005 to 2017. See Technical Box 1 for detailed information about each of the predictors. Coefficients are reported with robust standard errors clustered by country in parentheses. ***, **, and * indicate significance at the 1, 5 and 10 percent levels respectively.

Six major factors in Subjective Wellbeing:

Income

Health

Social Support

Freedom of Life Choices

Generosity

Corruption



Towards an Economy of *Eudaimonia*

Early Childhood Development

Childhood education in *eudaimonia*

Polis and Oikumene (Global citizenship)

Dikaiosynê (SDG 1)

Oikologia (SDG 14, SDG 15)

Panepistemio (Holism and Universalism)

Filosofia (Culture of contemplation)

Economic Concepts	Hobbesian Capitalism	Church's Social Teachings
Human Nature		
Desires	Insatiable Passions (Utility)	Reason > Passions (Virtue)
Sociality	Individualism	Social Animal (Friendship, Love)
Happiness	Maximization of Utility	Cultivation of Virtue
Economic Institutions		
Property Rights	Inviolable (Hard Budget Constraint)	Moral Bounds (Universal Destination of Goods)
Corporations	Shareholder Maximization	Stakeholder Accountability
Interpersonal Relations	Perfect Competition (Nash Equilibrium)	Perfect Cooperation (Moral Equilibrium)
Poverty	Individual Responsibility	Social Responsibility
Political Institutions		
Politics	Contest of Power	Realization of Common Good
Ideal of Citizenship	Maximum Liberty	Common Good
Role of State	Order and Nudging	Promotion of Virtue
Locus of Authority	State System (Westphalia)	Subsidiarity and Universal Law
Physical Earth		
Ecosystems	Exploitation of Natural Capital	Stewardship of the Creation
Time Preference	Private Preference	Generational Justice
Economic Science		
Purpose of Economics	Descriptive and Predictive	Teleological (Eudaimonia/Beatitudes)
Measurement	Market Transactions (GDP)	Wellbeing (SWB)
Training	Economic Models and Statistics	Cross-Disciplinary (Politics, Ethics, Ecology)