

Economics^L

Economics powered by *LIFE*

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Guy Cozijns

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To my dad & to my dear friend Tom Snow

Dear dad,

Feelings,
Intense feelings.

I couldn't be more grateful!

Dear Tom,

You brought your genius to *life*,
You pushed me to write,
You made me read, doubt and dive,
And now, there's Economics powered by *life*,
Wherever you are, I hope to make you proud.

Dear dad & Tom,
Have 'a four' & celebrate *life*!

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Reflection

Imagine you and I could observe planet earth as a visitor: uncut, unplugged and uncensored. What would that reality look like? How would that affect our views on the *truth and nothing but the truth*? What kind of menu could we choose from to digest topics like the economy, politics, policy, power, education, wealth? If we understood how the system worked, would that change the way we look at today's leaders around the globe? How would you and I regard the people and families who have had to deal with social and emotional breakdown over the last three years because of the coronavirus pandemic? How would we value human intelligence and its capacity to create things out of nothing? Could it be that our views on this reality bring us closer to empathy, the common good and the pursuit of happiness? If astronomers have been fooled for years by an optical illusion of galactic size, imagine what an unbiased perspective would bring to our understanding of life and the economy.

As I write this, my inbox displays emails that cover topics ranging from a police intervention stopping a family lockdown Christmas party; a question mark on whether billionaires destroy democracy and capitalism; border shutdowns in The Netherlands and Belgium with respect to UK travelers; the dangers of coronavirus mutations and queries about vaccine efficacy; another question

mark on the resilience of democracy; and, on a lighter note, Pelé congratulating Messi for equaling his goal record.

Although it may not have seemed like there wasn't much wonder left by the end of 2020, our sky was illuminated by a "Christmas Star" on December 21st, thanks to the alignment of Jupiter and Saturn. The last time these planets came close enough to almost hug each other was 400 years ago. The child in me wonders what might have been the impact of this exceptional phenomenon on our energy level. Could there be a shift in the new Aquarius era, where teamwork and consciousness will transform? Is it fantasy to think that this energy will lead us beyond greed, pollution and extraction? Or that society will transform itself such that the voice of resilience and the voice of the common good are one and the same? Is it true that emotion will drive the future? Let's see what *wonder* has in store for us!

One year later, during the festive period, I'm having night sweats. No Omicron variant, hangover or illness whatsoever. I get up, go outside, and work out. Once done, nature's calmness takes over. By 4:15am, my mind feels quiet. I decide to go back inside. Looking at my desk I see a card with a quote from an unknown author. It says: *a goal is a dream with a deadline.*

Wonder and dreams can be fascinating. Sometimes they just happen. Other times action brings them to life. I wondered, what could be my plan? I decided that my calling is to come up with a series of digestible, meaningful and solutions-oriented pocketbooks on economics that serve life. And to spice things up I created a few characters. Also, believe me when I tell you that they have put me on the wrong track more than once. But above all, they made me realize that there is an interconnected web of life out there and that science, technology, spirituality and interpersonal relationships will all evolve in the years ahead of us. So, fasten your seatbelts and let's get this journey started!

Curaçao, December 2022.

'WHAT IS, ACCORDING TO YOU, THE
PURPOSE OF ECONOMICS?'



MEET THE "OLD PRINCE"

1 The message

There's so much more to the economy than economics!

1.1 The duality of economics

On a sunny day two people met on a train trip from San Francisco to L.A. An old prince in his seventies was reading a book when a young, elegant lady with a pixie bob haircut and dressed in a suit asked him if the seat opposite was free.

'Be my guest,' said the prince. After a while, they got into a conversation.

'What's your name?' the prince asked the young woman.

'Economics, your highness, but you can call me Econ.'

'You must be kidding me! With such a name, I must ask you the inevitable question,' the prince asked.

'What do you mean, sir?'

'Tell me, are we trapped in a model between *haves and have nots*?'

For decades, the prince had been known as a thoughtful and engaged royal, not afraid to ask direct and indirect questions and give frank responses. He had tried to use his influence to help the poor, and to convince the rich that we need a system that allows the majority of people to live good lives.

Econ took a deep breath, not wanting to disappoint the old man. 'My dear prince,' she said. 'If we leave everything to the market, we call it *laissez-faire* economics or *neoliberalism*. We know that the market isn't perfect, otherwise how could we explain the plastic soup in the ocean or the fact that billions of people are excluded while a handful get unimaginably rich?'

'Couldn't it be the system's fault?' the prince asked. 'Or bad policy? Maybe there are multiple reasons involved. I agree there should be limits to wealth and power, as well as the extent to which wealth means power.'

'Sir, do you mean this is more than a 'free market' issue?'

'That's what I believe, yes.' He gestured for Econ to go on.

'For a moment, I believed that neoliberalism would collapse after the financial crisis of 2008,' Econ said. 'However, today it still dominates our lives because losses in the economy are still socialized while gains are privatized.'

‘Fine words! You must have read or heard that somewhere, haven’t you? So, what could be the alternative, Econ?’

‘Well, first let me talk to you about the other side of the story, the economics of *Keynesianism*, named after John Maynard Keynes. Keynes saw that the devastating effects of the Great Depression could not be solved by laissez-faire economics. To him, the State and not the economic elite, had to become the new hero.’

‘I kind of prefer *us* being the hero,’ the prince said. ‘Isn’t it time we go beyond this boring discussion between liberals and Keynesians? And the right versus the left? Still, tell me a bit more about this Keynes fellow.’

‘Well, he saw the State as the catalyst for economic recovery. Public spending on public goods would generate income and jobs, which would enable the working classes and middle classes to contribute to economic growth, and, as a consequence, wealth would be redistributed.’

‘Let’s take a break here,’ the prince said. ‘Let’s get back to basics first. What is, according to you, the purpose of economics? What do you see as its primary function?’

'I guess to me, sir, the primary function of the economy should be to provide prosperity,' Econ said.

'And why would you think that?'

'Because prosperity is more than being successful and having a lot of money. Imagine you lack health or people around you who care for you for the right reasons. Or what about happiness, spirit, community? I guess there needs to be some meaningful sense for people to thrive, to flourish. Any system, whether it comes from the right or the left or something in between, that cannot provide prosperity puts itself at risk. In fact, it's doomed to fail.'

'What do you mean by meaningful?' the prince asked.

'Well, sir. Look at our current situation and the devastating impact of the COVID-19 pandemic on society.'

'What about it?'

'It's like history is repeating itself, although the cause is different now. A pandemic followed by lockdown measures have inflicted upon the economy a stroke and a heart attack at the same time,' Econ said.

‘Only the economy?’

‘Of course not! Socially, we have created a battlefield but what worries me most is the concentration of capital. It’s not only about how we consume and how we produce. How income is distributed cannot escape our attention either.’

‘Can I suppose you care about our health, our mental health and our education system?’ the prince asked.

‘Absolutely, sir, but we need to think about more than only the virus, lockdowns, PCR tests, vaccines and the number of infected people and casualties.’

‘So, you’re fed up with this situation, right?’

‘That’s the least you can say,’ Econ said. ‘When I look at the news or social media it’s as though I’m listening on repeat. We need a voice to show all those people who lost faith, are depressed, or who doubt themselves, that we can do much better. That we’re not destined to be sheep, but we are a species that can create resilience and work for the common good.’

‘And who would be your partner in crime, young lady, if I may ask?’

'Life, your highness, because life is the power that creates economic value. Not only does life allow for plants, animals and humans to grow and reproduce— we should always respect that— but for us humans, it's also about having that sparkle and being excited, hopeful and creative. It's about being able to love, evolve, have purpose and passion, and to believe that what we do matters. When that kind of life is within us, we can deal with adversity, we can make communities thrive, we can motivate people to search together for the best solutions. That's the energy we want to create. That's what makes life meaningful. It's not about the number of books we produce but the words that are written in them.'

The old man looked outside the window for a bit, watching some birds flying around. He took a sip from his bottle of water before turning back to Econ. 'Interesting metaphor,' he said. 'Books can be produced but without words they are meaningless, right? And in this context there is respect for growth, both physically and mentally.'

'And also spiritually, sir.'

'Ok, I got that. Let's move on. So, my lady, what else can you tell me about economics or the economy?'