

Changing rationality: the *homo economicus* today

Marcos Cueva Perus^a

^a Universidad Nacional Autónoma de México-Instituto de Investigaciones Sociales, Mexico.

Email address: cuevaperus@yahoo.com.mx

Date received: March 29, 2023. Date of acceptance: December 19, 2023.

Abstract

This paper shows how the *homo economicus* has evolved from utility at work to consumption and then to the mystification of profit in a context of financialization and long-term crisis. Thus, a semantic slippage occurs, which distorts the achievements of capitalism, such as individualism and self-interest, for a libertarian belief –alien to liberalism, to Bentham's utilitarianism and marginalism– in which it is not possible to define social utility, nor the connection between the "rationality" of individual decisions and social choices. Usefulness is confused with profit in the primacy of today's business mentality and is often reflected in individual behavior.

Keywords: profit; neoliberalism; history; mentality; rationality.

1. INTRODUCTION

From an economic and sociological perspective, this article aims to show how so-called neoliberalism operates a semantic slippage that has little to do with classical liberalism. It also has little to do with the social utility of individualism and the pursuit of self-interest, despite the current strength of both, according to apparent evidence. If in classical Political Economics, the problem of the social utility of work and the individual pursuing their own interests is raised, towards the end of the 19th century, this utility shifted to consumer satisfaction and, later, with neoliberalism, to what makes a profit, aside from social choice, hence the reactivation of an author such as Mandeville. This text seeks to demonstrate the evolution of the notion of utility, its growing link with that of profit, the reappearance of Mandeville and the neoliberal way of understanding freedom: making profit "what is useful" and avoiding any possible cost, especially if it is social.

After this introduction, the paper discusses how the notions of utility, but also those of individualism and self-interest, have been evolving throughout the history of economic thought so that *homo economicus*, apart from certain generalities, is not always the same. From a certain stage of capitalism onwards, that which is useful is no longer only identified by what is encompassed in merchandise or money and labor or consumption but has also been confused with profit, an aspect which this article discusses in its third section. The fourth section refers to the entry into so-called neoliberalism and financialized capitalism, consolidating this confusion and leading to another between individualism, self-interest, and selfishness, which implies a new philosophical perspective. Against this background, an author such as Mandeville, who makes the selfishness of "private vices" appear useful for the economy, is recovered from the 17th century, as reiterated in the fifth section. The text culminates with a sixth section on how the slippage operates in the name of "freedom", so that one is, in principle, free to be selfish and to obtain something (as profit) without "reciprocating". We conclude with the importance of rethinking, in perspective, the relationship between the individual and society. Thus, beyond the current mystification of profit, this paper seeks to contribute to the clarification of what is understood by the "rationality" of the *homo economicus*, which has changed with the evolution of capitalism and throughout the history of economic ideas in such a way that it is not reduced to the calculation of cost/benefit.

A critique of neo-liberalism cannot reject liberalism, self-interest and individualism (creators of social wealth) without destroying the historical achievements of capitalism unless they are overthrown in such a way as to return to pre-modernity. Individualism, insofar as individuation is concerned, is not alien to a division of labor that inserts the former in a collective so that the individual and the collective are not at odds, and the former can estimate and value the usefulness of what they do for others, together with what they receive for themselves. Adam Smith (1759) refers to the importance of cooperation for the survival of a society.

The history of economic thought goes through specific stages: neoliberalism is not the exaltation of money or merchandise, but rather the mystification of profit (i.e., that which is useful is that which reports a profit), which entails a significant change in our understanding of what is meant by utility. The *homo economicus*, a reflection of the entrepreneurial mentality,¹ has not remained the same from the 17th century to the present day, as will be discussed, as we seek to highlight the concrete consequences of behavior understood as "rational" in the economy and beyond, between socioeconomic agents and in some theories. Starting with the change in how what is "useful" is represented, neo-liberalism leads to the mystification of profit and, in ideal individual behavior, to a specific belief regarding freedom, the belief of not contributing anything socially useful but of selfishly having profit for oneself. This type of business and shareholder mentality is promoted by neoliberalism, seeking to standardize behavior despite the revindication of the individual and short-circuiting exchange despite the insistence on the market being a panacea.

2. EVOLVING NOTIONS

The market has existed since before the emergence of capitalism.² From the 19th century onwards, in central countries and much later in the periphery, the tendency towards "economicism" appears as the translation of all social activity into economic terms: a university does not have study plans, instead it has an academic "offering". Poverty is not evil; it is a social "cost". An aggressor country does not suffer reprisals; it pays "the price" for what it has done. A couple "invests" in their relationship, they don't devote time to it, and so on. Everything is translated into "market" by becoming about supply and demand, but the "overdetermination" changes, not "the market" itself.³

The *homo economicus* is not found in the classical Political Economy. In a letter from 1890, Engels (1973) denied any economic overdetermination in his and Marx's spirit. The fact that it can be found in capitalism does not mean that it is in every social regime, nor that it is inherent to currents of thought such as Marxism, despite simplifications.⁴

In classical Political Economy, labor value is central and involves two dimensions: the time required to manufacture a commodity (value) and its use-value since it does not include the exchange value. This perspective disappears as of the subjective value with marginalism at the end of the 19th century, which seeks to use mathematical advances to "model" human behavior and shifts the analysis towards the "sovereign consumer", as they will subsequently be called. This modeling, as an exercise of a "science of mathematized assignment" (Sedlacek, 2014) - even though human behavior cannot be reduced to equations - eventually leads to an economic policy with serious problems, as has also been demonstrated, from Klein (2008) to the economists who refused to follow experiments from international organizations. Therefore, there is a risk of falling into what, in Escalante

Gonzalbo's (2015) opinion, are speculative mathematical games that lend themselves to ideological drift: for example, the free market in Friedman admits monopolies -except government monopolies- and works even when it is not a free market.

The basis of the marginalist argument is the cost/benefit calculation that makes the agent in the market a "rational" being. The utility of a good or service is the satisfaction it provides to the consumer. In this respect, it has not differed much from what classical Political Economy understood by use value. Marginalism ends up placing utility "in the margin" (Friedrich von Wieser was the first to suggest this) (Oser and Blanchfield, 1980) and is a question of preferences and combinations of goods. Friedman (1990) refers to it in the 20th century as "freedom of choice".

In marginalism, *homo economicus* refers to utilitarianism, the formulation of which can be found in Jeremy Bentham in the early 19th century (Oser and Blanchfield, 1980). There is no way to ensure that utilitarian "human nature" is truly human. It refers to the maximization of pleasure and the minimization of pain and similar translations. Meanwhile, John Stuart Mill criticizes this (hedonistic) "sensualism" and, as a liberal, considers, like Smith, that "(...) citizens are in a position to perceive the existence of common interests, thus overcoming mere selfishness" (Roncaglia, 2017, p.131).⁵ Liberalism and utilitarianism are not the same: neither is guided by selfishness, and utilitarianism expects the happiness of the largest number as the sum of individual happiness. Strictly speaking, it projects the business mentality onto the psyche (maximum pleasure, minimum pain): the greatest profit at the lowest cost. It is the most elementary foundation of capitalist rationality, despite current misconceptions such as behavioral economics. Calculating is not thinking. The drunk or the drug addict can calculate or believe they can⁶ ("I know my limit", "one for the road") without thinking.⁷ Unlike classical Political Economy, which considers working a factor of humanization, from the end of the 19th century onwards, marginalism sees it as just another factor of production, and even as "sacrifice", but not with too much of a pejorative charge.⁸

So-called neo-liberalism seeks to break down the cost/benefit contradiction at the end of the 20th century with a different business mentality, even before the advent of financialization: the *homo economicus* expression of this mentality is no longer someone who, while seeking to maximize profits and minimize costs, takes responsibility for them, but rather someone who avoids them, if there is a way to disengage from them.⁹ It is implicit in the belief that it is up to the State to be responsible for activities necessary for long-term profit but not profitable in the short term, something that has not entirely changed since the 1980s.¹⁰ After a long journey, *homo economicus* put aside its interest in work and its meaning -it can now be employment, an occupation or a job to earn an income- and turns individualism and self-interest into open selfishness. This responds to the entrepreneurial idea of eliminating costs as much as possible by privatizing profits (it cannot be otherwise) and socializing losses. It is a way of not taking risks despite the persistence of technological innovation, something that Schumpeter had already detected as a contradiction (Oser and Blanchfield, 1980). Something has changed in what appears to be useful and useless.

3. ELEMENTS OF CRISIS: PROFIT

All that has been said about marginalism or the neoclassical synthesis does not automatically result in selfish behavior, which Smith explicitly rejected in the *Theory of Moral Sentiments* (1759). Nor does it make self-love reprehensible, contrary to what Dufour (2017) suggests. Nor does it make individualism not equivalent to selfishness reprehensible. Based on Marshall's neoclassical synthesis (1920), between the 19th and early 20th century, the foregoing does not prevent the appearance of a change: work already has a certain negative connotation beyond the discovery of alienation, which is also present in Smith.¹¹ At the same time, individualism and the pursuit of self-interest have a social utility, and it is no coincidence that it appears in liberalism. It is based on the idea that, as in the division of labor, the diversification of interests (for greater social wealth, not just economic wealth) and of individualities is desirable.

Selfishness¹² appears in authors such as Gossen (1983), but it is not the cornerstone of marginalism,¹³ nor Marshall or Keynes. The emergence of selfishness as the "nature" of *homo economicus* is typical of the appearance of state intervention and even more so of the neoliberal reaction to it because the entrepreneurial mentality is no longer that of 19th-century free competition. The idea is to keep the profit for oneself but to eliminate as many costs as possible (they are shed or discarded externally insofar as possible).

The business mentality does not always assume losses as its own, but from a certain point onwards, uses the State to distribute them. There is no shortage of examples, ranging from FOBAPROA in Mexico¹⁴ to the Great Recession of 2008, to the point of mocking capitalism for the majority and socialism for a handful of speculators. Kalecki (2015) explained the limits of the Welfare State that were often idealized in the second post-war period by welfareism, which will be tolerated as long as it serves businesses but does not provide respect for social rights. Incidentally, Smith does not oppose any State in his text of 1776, but rather the feudal State, in the face of which he defends the need for security in private property (it should be remembered that not all private property is a means of production, nor an instrument of exploitation). He takes the barely mentioned invisible hand to be akin to nothing less than Divine Providence (the same confusion that others make with the State). It is with Walras that the invisible hand begins to refer to something else, the supposed trend of the economy towards equilibrium, as pointed out by Roncaglia (2017).

Subject to what the future holds, to the extent that some have proposed a shift towards a "capitalism of interested parties" (Davos World Economic Forum) (Schwab, 2019), as opposed to the "capitalism of shareholders" advocated since 1970 by Friedman - shortly before he advised Nixon on the abolition of the gold-dollar standard -, crisis capitalism has not always resulted in improvements, judging by what has happened in terms of social inequality (Piketty, 1997).¹⁵ Instead, to use Polanyi's expression in *The Great Transformation*, new forms of "rupture of the social fabric" can be observed.

From the international mobility of capital (which does not exist for labor), markets are expected to ensure the realization of profit but also to pay less for labor power in a movement of overproduction/overaccumulation, interpreted at the same time as underconsumption (in the tradition of Sismondi (1847), an advocate of protecting the poor with social, sickness, old age or unemployment benefits) and which seeks to recover by creating new markets. Considering demographic factors, forces favoring the current system are betting on this underconsumption in an inclusive version. The contradiction lies in the capitalist need to make labor cheaper and dispense with a good part of it while maintaining solvent clients to generate profit.¹⁶ The capitalist is interested in that which is social - which sometimes appears with this residual, external comment - not to assume costs but to attract clients to make a profit, which seems to open up (with more market niches and greater commodification) the possibility of inclusion. That which is considered helpful for generating profit is included. Mandeville's class is equally useful, demagogically ensuring that the people are calm, even if this class is seeking nothing but its own profit, as described by Dufour (2017). The search for customers, even if presented in marketing as interest in the client, is more about the spaces for making a profit. It is less of a sovereign consumer interest than it seems.

4. BEYOND MONEY AND MERCHANDISE

We owe the discovery of the commodity's use value and exchange value to Smith (Oser and Blanchfield, 1980). While Marx was responsible for discovering the use value of labor power, creating value, but also surplus value (Oser and Blanchfield, 1980). Marx has an integral vision of society and a philosophy: dialectics, which could be translated into a philosophy of life. Ricardo adopted it in practice since, being a landowner, he is willing not to defend the landowners if cereals have to be imported to lower wages (Oser and Blanchfield, 1980). In the case of Smith, who was close to the Scottish Enlightenment, he also had a philosophy of life.

Any explicit philosophical background does not characterize marginalism, nor is Keynes, despite his closeness to the artistic Bloomsbury group.¹⁷ This corresponds to a movement of specialization in social sciences that is not exclusive to economic science, in addition to its growing aspiration, as Marshall goes so far as to state,¹⁸ to equate itself with the exact sciences, which seems to ensure axiological neutrality. As Heinich (2017) has shown, one can aspire to such neutrality without waiving the right to estimate the value of things or people. This is otherwise reflected in economics, for example, when setting the price of a work of art or, to return to an example of Smith, that of diamonds,¹⁹ the object of economic science is not exempt from regulations. It is possible that neutrality free of any evaluation can only be achieved through modeling that abstracts from its own (weak) assumptions. Without an explicit philosophy, it is possible to aspire to an exact science -through numbers and quantification-²⁰ with clay feet, assuming as rational that which is not rational.

Neoliberalism offers a philosophy based on the individual and their interests and is in no way alien to anti-collectivism since the latter appears as the ultimate result of dealing with society. Unlike Smith, it is no longer a question of only looking out for oneself, for one's advantage, without considering others or the consequences (but why should one be concerned for others?). Any interference in the spontaneous order of the market and the transmission of price signals is superfluous. *Homo economicus* is no longer the same: self-interest and individualism are words that now serve to mean selfishness, which incidentally leads Dufour (2017) to confuse self-love (with its possible implications for integrity) and selfishness.

Neoliberalism does not operate in a vacuum but is popularized amid a growing financialization of capitalism, even if it is sometimes dated back to the 1990s, in particular by certain measures of the US administration of then President William Clinton (abolition in 1999 of the Glass-Steagall Act of 1933, which prohibited banks from investing in investment funds). Wealth is not created by labor (which is very different from classical Political Economy). Instead, it is created by the businesspeople who decide to invest and thus trigger activities that create jobs and income through a spillover. The guarantee for creating wealth is a certainty for investors and those who can provide a suitable climate. It does not exclude finance (which expects its share of the surplus) from production despite fictitious capital and speculation. Under these conditions, one concludes with the belief that labor is dispensable, as suggested, for example, by Rifkin (1996).²¹ This confirms that social utility has no link with labor.

If labor disappears from the picture, beyond the fact that the problem of exploitation is no longer understood, despite its simple explanation, the question of what is useful is raised again. Suppose D-D' counts without the mediation (D-M-M'-D') being understood. In that case, especially if there is financialization, social relations are worthless only insofar as they can be instrumentalized (which is not so new) to obtain a plus (which is newer), to put it colloquially, without necessarily giving something in return.

A simple estimation of a situation and an advance is enough: there is not even a market, and there is no exchange, which, for some anthropologists, has always been the basis of society (the gift). It is simply taking from the other without giving more than (D), rejecting any return from D'. Thus, the aim is to achieve almost gratuitous gain, which requires a change in the conception of the individual, indifferent to anything other than the possibility of grabbing as much as possible, according to the American expression (*catch as catch can*), and without being given anything in particular, not even something of utility, let alone social: in D-D' (money put to work, according to a curious expression), only that which yields a profit is useful. It may be that social conventions are degraded since they no longer imply exchange, just an advance to achieve the plus. Utility has been degraded to something that yields some profit, even to the detriment of real utility or real use value. It is, therefore, interesting to introduce the problematic of utility, present in Smith or Marx, but not absent in marginalism and the neoclassical synthesis when speaking of preferences; for example, in Marshall, with the estimation of the marginal utility of wallpaper, which still involves effort.²² This is no longer the case. Escalante Gonzalbo (2015) underlines that the other exists only insofar as it reflects self-interest, in other words, the possibility of obtaining some benefit from it. Still, there is not even the slightest curiosity about the social utility of the others, nor its origin in work. Something that yields a profit -without much effort- is useful, and something that does not is useless. It differs from the idea of utility in Smith or Marx but also from that in marginalism or the neoclassical synthesis. Pleasure is no longer obtained from consumption but instead from making a profit.

Echeverría (2011) had seen this in relation to the American approach to modernity, in which there seems to be no use value or natural form without commercial value and, in the long run, commodity capital, which counts today. Things seem given and ready for the taking without the need to reproduce life. This is undoubtedly true considering the place occupied by the United States in the international economy, from a financial and consumption point of view, and from the way it pays in its currency.

In the theory of rational choice, to which Lionel Robbins is no stranger (Rodriguez Ramos, 1993), the vindication of selfishness is not disguised, as in Becker (2009) the translation of every social bond into a cost-benefit calculation (marriage, children's education, elections, etc.). What happens in the social relationship is that one invests to obtain some profit, if at all, with some advance (d-d'), and this only appears as something that can be taken lightly, without even a major social convention to maintain or exchange, since there are rights (profits), but no obligations (seen as losses)²³ and complete freedom. It ends up changing what is understood as useful: the value that is self-valued without any work being done.

5. WITH MANDEVILLE

Based on what has been suggested - that which is useful is that which yields profit - a possibility exists of maintaining a system without guaranteeing social benefits of the division of labor. This is a well-known issue in peripheral countries and, as the geographer Lacoste (1978) once explained, of the hypertrophy of their service sectors, with the proliferation of pointless occupations, but which yield some income (without much effort), ranging from the "viene-viene" (who "help" you reverse out of parking spaces even if you don't need it), which instead of helping are a nuisance (making themselves necessary) and even at the airport or bus terminal, the person who goes to the ticket office to buy the taxi ticket (a possible tip), the person who carries the suitcases to the taxi (another possible tip) and the person who puts them in the trunk (another tip, which could be the driver), rendering the user useless. It can happen in other places and more sophisticated services, from the ironically named French mille-feuille pastries²⁴ to those in charge of constantly updating a website, even when unnecessary. This is where Bernard de Mandeville comes in, only recently rediscovered in some reflections on the history of economic thought (Sedlacek, 2014; Kaye, 2022; Dufour, 2017), but present from Hayek to Keynes, despite having been the subject of criticism in Smith. As long as profit is made, any vice can pass for being socially useful, even if it is, in fact, the opposite (socially useless).

Whoever commits a crime creates jobs and income for the police and military, judges, lawyers and all those who do court paperwork, custodians and other prison guards, etc. A person with an addiction creates jobs and income for drug dealers, traffickers, laboratories, coca or opium farmers, and banks that launder money, as well as for real estate or tourism.²⁵ An alcoholic does the same for liquor manufacturers and retailers, as well as for rehab clinics. While this is not a vice, it is sometimes a reason to discuss what the GDP measures. Those who get sick make a living for doctors, nurses and even restaurants and hotels near the hospital. If people become honest or healthy, this is how the fabled beehive is ruined.

Hayek sees in Mandeville, and not in Smith, the "spontaneous order" of the market. Keynes finds its effective demand. The vices raise questions about use value: What is the use of cocaine or heroin? Does this merchandise satisfy certain social needs? Is there confusion between what is necessary and what creates a profit, even if it destroys the human being? What is the utility? This is not present in Marx, although he already speaks of use values that satisfy fantasies; neither in Smith nor in utilitarian nor liberal calculations.

One can touch on the subject of pornography, which, for more than one person, satisfies a need. The use value of the porn actor or actress -productive workers- is to make a profit for the filming company, not forgetting jobs and income for the camera operators, the people in charge of staging, film or

DVD editors, sellers at newsstands or sex shops, etc. However, something is happening since the number of suicides among those who act in pornography is high, according to Brighelli (2012). Therefore, apart from knowing whether a social or individual need is being satisfied, it is worth asking about the nature of what the spectator consumes (the use value of this commodity) and the employer (the energy of the staging). Just a short distance away from this vice is the world of entertainment, with what it implies for the individual who offers him or herself. The world of things made available is enormous, but the ability to think socially is blurred to the extent that anything that generates a profit is normal or naturalized and accepted with indifference or even disdain - without a price. Meanwhile, anything that does not make a profit, such as values contrary to selfishness and business, is without value (since they are confused).

Once the problem of use value and social needs (real or artificial?) is blurred, we do not think; we calculate. For example, is a certain programmed obsolescence really necessary to get rid of a still useful car? Needs may be offered - often through advertising - to generate profits, even if they are artificial and useless.

6. FOR FREEDOM

The history of economic thought shows how the meaning of self-interest gradually shifts from being understood as individualism to being equivalent to selfishness, which is reprehensible for Smith. However, in his view, it is part of human nature.²⁶ If in individualism, thoughtlessness is not to be expected, in selfishness, it is an ingredient that cannot be absent.²⁷ No matter how much the market is discussed, there is no exchange of use values and it is taken without giving (or returning) because the latter seems useless as it does not include any benefit. It is no longer the mentality of the one who exchanges in the market, nor of the worker, nor the consumer, but of the shareholder.

We do not need to dwell on axiological neutrality nor on rational fools (Sen, 1986) who adhere to the "calculating" *homo economicus*. Without going to the extreme of Desai (2004) of seeing in Smith a Newton of the social sciences, it is not clear, unlike what is often said, based on very basic definitions, self-love,²⁸ self-interest²⁹ and individualism,³⁰ what should be condemned if it is about creating wealth, in all orders: surely it is preferable to have a diversity of interests and individualisms so that, to quote Smith, not everyone makes the same thing, bread, beer or shoes, or intellectual or artistic creations. On the other hand, given the sole meaning of utility as that which yields a profit, the neoliberal stage does not exclude a certain tendency to standardize behavior.

Dufour (2017) sees how capitalism manages to turn irrationality into business to the extent that irrationality as such does not appear: impulses, etc... It is difficult to associate Mandeville with subsequent economic liberalism nor with utilitarianism. The rational calculus mentioned by Dufour, besides being obvious -self-interest is not of others, but of oneself-, and which refers to Hirschman, cited by Dufour (2017), is different from that established by Bentham, who arrives at the foundations of economic science through marginalism. Neither self-interest nor individualism necessarily entail going over the heads of others. Although, to follow Dufour, Marx would have misread Mandeville, the French author makes no mention of Keynes -interested in the role of demand to bail out capitalism-. Perhaps, considering Weber's somewhat dubious thesis (2002), it is worth remembering that Mandeville was a Calvinist. It is impossible to make absolute statements about capitalism -in Mandeville's time, it was merely mercantilism- without considering the historical transformations it undergoes, its contradictory character, or how they are intertwined and unravel over time.

Dufour raises the question of whether it is possible to postulate the existence of transcendental values beyond the market since they may appear as idealistic aspirations (useless) and contain potential coercion. Although denied as subjective, the value that engages evaluation or estimation - and judgment - is the freedom to profit. For Kaye (2022),³¹ Mandeville is an empiricist who does not believe in anything transcendent (confused with religion): we are far from *summum bonum*, and no one can confuse his ideal with what is pleasant or really desirable (to the taste of each individual) and any idea that opposes what is most pleasing to each individual is rigorism, perhaps to the extent that the mere fact of presenting a problem is displeasing. If capitalism does not lack elements of hedonism (which is individual) and utilitarianism (social), neoliberalism is something different, libertarian. While it can be demonstrated that capitalism does not universally guarantee these rights,³² freedom is a subtle issue. It is a philosophy that exists: it is more difficult to disentangle the difference between private owners and non-owners (of means of production, not of private property in general). The guarantee of formal freedom (every individual is their own master and equal to others in this respect) does not imply effective freedom (despite what self-help or entrepreneurialism say), subject to also debating whether private ownership is not alienated in capitalism. In any case, reproduction is based on the real nature of formal freedoms and the promise of making them effective, a promise of reward for those who agree to acknowledge that everything has its price; otherwise, they are often disqualified (those who consider that there are values that have no price are deemed to be separate and someone who indulges in luxuries).

If in Keynes there is no underlying philosophy, in Hayek, there is, even if it is easy to demonstrate that "spontaneous order" does not exist in economics if we consider, for example, monopolies. What Hayek (1990) praises about Mandeville's spontaneous order is its natural and not artificial or contrived nature, which allows evolution with human beings so limited in their understanding and narrowness that they can have no idea of the scope of their deeds, in particular on a social level (hence what was said at the beginning of this text), especially if a group is aggregate and totalizing: it is up to everyone to look out for themselves. The ideal type of neoliberalism is someone who, aware of their narrowness, does not question the scope of their actions (nor their social usefulness), nor broadens their understanding, but is selfish in the hope of having their share of prosperity. It is only to be expected that public benefit is obtained from the selfish pursuit of interests (selfishness), assuming that benefit and virtue are equated. In voluntary compliance - one is free - with this expectation, the human being expects the benefit itself. With a nominalist philosophical background, neoliberalism attracts with the promise of freedom (negative freedom) and adding what could be seen as a condition: making profit, as Hayek put it.³³

Mandeville is linked by Hayek to Hume, for whom the human being is guided by passions, and to Darwin (Hayek, 1990), from the perspective of a slow natural evolution. Neoliberals abstractly favor individuals and the nature attributed to them beyond the convenience in the cost/benefit calculation: if there is no cost or effort to be assumed, the profit is convenient without further explanation. However, the nature exposed by neoliberalism is not the object of consensus, despite its scope and what certain historical experiences seem to suggest.³⁴

Hayek does not advocate the rationalist individualism that he attributes to Descartes or Rousseau, which supposedly leads to socialism. The founding father of neoliberalism, claiming that humans are usually irrational and fallible, leads to the pronouncement of an explicit preference for freedom over "reason". Doubting is perhaps a form of coercion of liberty (since only the individual can know what is best for themselves), the natural inclination of each person and that of making a profit.

The weakness of Hayek's economic theory has been demonstrated even though he received the Nobel Prize in 1974 and at some point was used by Robbins against Keynes (Wapshott, 2016). From reading Hayek at Oxford, Margaret Thatcher, while British Prime Minister and in reference to society, declares: "there is no such thing, there are only individual men and women, and there are families".³⁵ This view is supported by what has been pointed out about Hayek and the limitations of the individual to understand a totality. In government, individuals seek nothing more than what everyone else seeks: benefits for themselves through selfish behavior. The "public thing", the "community of interest" of citizens and all organizations must be distrusted. The appearance is created that the individual owes no debt to society, even though they obtain benefits from somewhere.

Any critique of this vision of social relations runs the risk of being accused of being coercive (not being value-free and methodological individualism). Dufour (2017) notes how authority (not necessarily coercive) is confused with authoritarianism, impulse repression (repression necessary for

sublimation and the superego) with repression pure and simple (or even creation of a superego that forces unlimited enjoyment, as shown in many reality shows), or thinning of the State with that of the meaning of universal interest. To manage also seems coercive; those who take profits as shareholders leave the managers to take care of management and control, with no further responsibilities.

7. CONCLUSIONS

Capitalism can be understood as an advance since individual autonomy does not count or counts less in pre-capitalist societies, in which the value of a human being is part of and not independent from society (independence is confused with selfishness), making little differentiation. Hence, capitalists emphasize the emancipated individual, which is not fully guaranteed in peripheral societies. However, it is not written in stone that selfishness is at odds with gregarious behavior, unlike individualism: Smith had seen it in the case of thieves, who are even obliged to perform certain reciprocal services - it is necessary to share out - to avoid extinction as a gang.

The problem with the neoliberal approach lies in the proposed solution: not taking society into account to the extent that it should be left to natural evolution, spontaneous order and the admission that there is no totality, much less understandable so that everything said from this point of view would be nothing more than deception and risk of coercion. If in a soccer team or any other group sport, each person goes out to play thinking only of themselves (and their performance to be signed or hired), in reality, there is no team. Instead, it is fictional,³⁶ even if it does not deny each individual. There is no way of determining what is socially useful (to play in a team or to be rated individually for a profit?): in short, there is no way of distinguishing between the interests of capital - with which each conjuncture is synchronized - and the interests of society. It is not enough to say that production is increasingly social and collective: it is worth asking whether, at the same time, the business mentality in vogue does not have a corrosive effect on any cooperation.

The individual-society relationship cannot be thought of from a pre-capitalist point of view, annulling the individual (and therefore neither self-interest, individualism, nor the integrity of self-love), being aware that there are societies that do not approve of individualism, except under certain conditions (the metaphor of the crabs, but also the clientele network that approves of a certain amount of individualism and selfishness as long as the one who is in charge shares).³⁷ Capitalism is contradictory: it formally promotes individualism, but it also tends, in the long run, to "model" behavior without actually achieving it, making it challenging to exercise individual independence. The problem is also not a question of taxes³⁸ but of non-recognition of a symbolic debt of Smith since 1759, very early on, in the 18th century: without useful contribution to society, it languishes and enters into what is also no secret from failed States to the long-established breakdown of the social fabric, which includes atomization, if any organization, as an artificial order, "(...) always depends (...) on coercion" (Escalante Gonzalbo, 2015, p. 47). Growing social interdependence appears to be useless: that which is social is a cost to be avoided.

The individual-society relationship, which evolves over time and the way of representing *homo economicus*, could be rethought, so economic science cannot go beyond one philosophy. So much so that, to abstract, there is also room for controversy: it is one thing for theory to remain faithful to praxis and another for abstraction to be understood, as by Hayek (1996), based on nothing more than rules of operation of the mind, in such a way that, on the margin of all praxis, there would seem to be no room for self-correction, but only for the reiterated application of models. Things do not get worse because one part of society works; another part makes a profit often without contributing anything socially useful, even at the risk of killing the host, according to Hudson (2015), if it is not contributed or retributed.

BIBLIOGRAPHY

- Amin, S. (2004). *Geopolítica del imperialismo contemporáneo*. CLACSO.
- Becker, G. (2009). *Uncommon sense: economic insights, from marriage to terrorism*. University of Chicago Press.
- Brighelli, J. P. (2012). *La société pornographique*. Les Pégrines.
- Brown, W. (2019). *In the ruins of neoliberalism. The rise of antidemocratic politics in the West*. Columbia University Press.
- Cyrułnik, B. (2002). *Los patitos feos*. Gedisa.
- Dale, G. (2010). *Karl Polanyi. The limits of the market*. Polity Press.
- Desai, M. (2004). *Marx's revenge. The resurgence of capitalism and the death of statist socialism*. Verso.
- Dufour, D. R. (2017). Introduction. Mandeville, Bernard de. *La fable des abeilles*. Pocket.
- Echeverría, B. (comp.) (2011). *La americanización de la modernidad*. Cisan/ERA.
- Engels, F. (1973). Carta a Joseph Bloch. En C. Marx y F. Engels. *Correspondencia*. Cartago.
- Escalante Gonzalbo, F. (2015). *Historia mínima del neoliberalismo*. El Colegio de México.
- _____ (2016). *Se supone que es ciencia: reflexiones sobre la nueva economía*. El Colegio de México.
- Friedman, M. (1990). *Free to choose: a personal statement*, Mariner Books.
- Gadrey, J. (1981). *La théorie économique libérale ou néo-classique*. Les Editions Sociales.
- Gossen, H. H. (1983). *The laws of human relations and the rules of human action derived therefrom*. MIT Press.
- Hayek, F. A. (1990). *New studies in philosophy, politics, economics and the history of ideas*. Routledge.
- _____ (1996). *Individualism and economic order*. University of Chicago Press.
- Heinich, N. (2017). *Des valeurs. Une approche sociologique*. Gallimard.
- Hudson, M. (2015). *Killing the host: how financial parasites and debt bondage destroy the global economy*. ISLET.
- Kalecki, M. (2015). Aspectos políticos del pleno empleo. *Ola Financiera*, 8(21). <https://journals.unam.mx/index.php/ROF/article/view/50571>
- Kaye, F. B. (comentario crítico, histórico y explicativo) (2022). in B. Mandeville. *La fábula de las abejas o los vicios privados hacen la prosperidad pública*. Fondo de Cultura Económica.
- Klein, N. (2008). *La doctrina del shock. El auge del capitalismo del desastre*. Paidós.
- Lacoste, Y. (1978). *Geografía del subdesarrollo*. Ariel.
- Marshall, A. (1920). *Principle of economic*. Macmillan.
- Mises, L. (2003). *Epistemological problems of economics*. New York University Press/Ludwig von Mises Institute.

- Oser, J. and Blanchfield, W. (1980). *Historia del pensamiento económico*. Aguilar.
- Piketty, T. (1997). *L'économie des inégalités*. La Découverte.
- Real Academia Española (RAE) (2001). *Diccionario de la lengua española*. Ed. RAE.
- Rifkin, J. (1996). *El fin del trabajo. Nuevas tecnologías contra puestos de trabajo: el nacimiento de una nueva era*. Paidós.
- Rodríguez Ramos, J. M. (1993). *Lionel Robbins. Contribuicao para a Metodologia da Economia*. Ed. USP/IL.
- Roll, E. (2008). *Historia de las doctrinas económicas*. Fondo de Cultura Económica.
- Roncaglia, A. (2017). *Breve historia del pensamiento económico*. Prensas de la Universidad de Zaragoza.
- Schwab, K. (2019, 2 de diciembre). ¿Qué tipo de capitalismo queremos? *El País*. https://elpais.com/economia/2019/12/01/actualidad/1575223867_871176.html
- Sedlacek, T. (2014). *Economía del bien y del mal. La búsqueda de significado económico desde Gilgamesh hasta Wall Street*. Fondo de Cultura Económica.
- Sen, A. (1986). Los tontos racionales. Una crítica de los fundamentos conductistas de la teoría económica. En F. Hahn y M. Hollis (comps.). *Filosofía y Teoría Económica* (pp. 172-217). Fondo de Cultura Económica.
- Sismondi, S. (1847). *Political economy and the philosophy of government*. F. Mignet.
- Smith, A. (1759). *The theory of moral sentiments*. A. Millar.
- Terestchenko, M. (2007). *Un si fragile vernis d'Humanité. Banalité du mal, banalité du bien*. La Découverte.
- Wapshott, N. (2016). *Keynes vs Hayek. El choque que definió la economía moderna*. Booket.
- Weber, M. (2002). *The Protestant Ethic and the Spirit of Capitalism and Other Writings* Penguin.

¹ The idea is in Mises (2003) when debating with Menger and Böhm-Bawerk.

² The "market economy" is contrasted with anti-collectivism and the emergence of State socialism, as Desai (2004) calls it. The ancient market was a place to buy and sell or exchange goods and services until the Royal Academy of the Spanish Language (RAE) defined it as "a set of activities carried out freely by economic agents without the intervention of the public power" (2001, p. 1010), in which case it is repetitive to speak of a "free market". Escalante Gonzalbo (2015) is right in locating the market in "the circulation of goods", sphere of circulation. It is understood as where a price is set based on exchange and supply and demand (one can differentiate, for example, with Smith, between natural price and market price). Nevertheless, according to the idea of "neoliberalism", and without eliminating the price, the market is a "mechanism for processing information" (Escalante Gonzalbo, 2015, p. 43), which can make it more attractive at the height of the information age.

³ Unlike Polanyi, who speaks early on of the "destruction of the social fabric", it is capitalism and not the market that is new (Dale, 2010). In fact, according to this author, Polanyi criticizes the separation of the economic sphere (self-regulated market) from politics, particularly from the conversion of "human beings" and nature into commodities.

⁴ For Engels (1973), the fact that the economic factor is ultimately the determinant does not make it the sole determinant.

⁵ An animal seeks its greatest pleasure (based on need) and fears pain. A human being is capable of enduring pain for the sake of, for example, the joy of being cured (if they are a sick person, however intense that pain may be). Likewise, there are those who, under torture, endure the worst pain without expecting any pleasure but rather for the sake of maintaining an ideal and not betraying others. Cultures also suggest other things: a fakir, for example, or the needy person who does something similar (enduring broken glass on their back) to earn a few pesos without experiencing much pleasure.

⁶ Self-love is "that which someone professes to themselves, and especially to their prestige" (RAE, 2001, p. 65), which today is not undervalued, unlike pride or non-primary narcissism.

⁷ The person who believes they "know their limit", calculates it and becomes entrapped if they do not think, to the extent that they end up drunk or addicted. Unlike calculating, thinking implies "to examine with care" (RAE, 2001, p. 1169), bearing in mind the closeness of "examine with care" and "to take a closer look", which is why the expression "stop to think" exists, which does not exist for "calculating" (it is characteristic of algorithms).

⁸ A Jevons' balance, for example, between "the discomfort of work and the pleasure provided by income" is hardly valid. William Stanley Jevons himself recognizes the impossibility of work being regulated "to the pleasure of the worker" (Oser and Blanchfield, 1980, p. 252). Alfred Marshall also does not always have the best idea of the balance between desire and effort (the effort of picking berries and the pleasure of eating them). There is also the supposed option, non-existent in the opinion of Gadrey (1981), of substituting work for "the preference for leisure". However, the neoclassical synthesis does not abandon the basic cost/benefit calculation of marginalism.

⁹ A clear example is the way in which a mining company that ignores safety standards and causes a toxic spill in the Sonora River (Mexico) has managed to avoid legal sanctions for years.

¹⁰ The State maintains certain functions that serve the market.

¹¹ In 1776, in an investigation on the nature and causes of The Wealth of Nations, Smith condemned manufacturing as an atrophy of the personality, which contradictorily leads to the division of labor, especially by creating repetitive and monotonous movements. He also favors paying more for the dirtiest or heaviest jobs, which is not the case (with street sweepers, for example).

¹² Selfishness has an element of prejudice. It is "to pay disproportionate attention to one's own interests, without taking care of the interests of others" (RAE, 2001, p. 587).

¹³ The capitalist of marginalism works: "Production costs include the sacrifice and fatigue involved in starting and running a business and saving the money to build the capital" (Oser and Blanchfield, 1980, p. 244).

¹⁴ Or the Argentine "corralito" of 2001, the Ecuadorian national holiday of 1999, and the period of Boris Yeltsin in the 1990s in Russia.

¹⁵ Financialized capitalism is that of shareholders who are not involved in the production and maybe even in the management of the company but with rights (to ownership) to the dividend. That which is "useful" is, therefore, the dividend. Someone may feel entitled to this form of "usefulness" or be the owner of anything, or by believing themselves to have status, which spreads this mentality between the agents, beyond the economic sphere. The shareholder may provide something in advance but does not give anything back. There is always someone who thinks it is "useful" to "know how to price oneself" or "take care of their bonds", as is colloquially said.

¹⁶ According to Amin (2004), keeping markets open also requires considering that large transnational corporations must operate with some 500/600 million potential consumers.

¹⁷ From where Roll's statement (2008) arises: the economist's lack of interest in philosophy.

¹⁸ Marshall considers that this is achieved by the intervention of money, quantifiable, in preferences. Meanwhile, for Roncaglia, despite the advancements of specialization, "(...) showing one's scientific abilities, essentially through refinement in the use of analytical tools, becomes more important than a good practical understanding of real problems" (2017, p. 237).

¹⁹ If it were a matter of not making the slightest value judgment, one would never choose anything but the cheapest.

²⁰ Escalante Gonzalbo (2016) discusses the subject.

²¹ US Democrat. Author of *The End of Work* (1996). Recalls the film about the United States *A Day Without Mexicans* (2004).

²² Since it is an indivisible commodity, the work cannot be left half-finished in a room without additional effort.

[23](#) The caricature can be found in calls from bank clerks who start by asking the customer how they are feeling today.

[24](#) They are the people who occupy paperwork positions in Parliament, the ministerial cabinet and local constituencies without clear social utility.

[25](#) One could explain the U.S. struggle to control and monopolize the drug trade (from Mexico to Afghanistan) without ever capturing a dealer on its territory.

[26](#) Incidentally, the selfishness of capital - Smith has no particular fondness for the rich - is compensated for the Scotsman when a company makes an extraordinary profit and fixes the price. The competition then attracts other capital to the branch or sector, bringing down the price and the aforementioned profit.

[27](#) Meanness is synonymous with selfishness, originally (in the early days of capitalism) attributed to the rich man's greed for money.

[28](#) The religious origin of the valuation of self-love, beginning with St. Augustine, is discussed in Dufour (2017).

[29](#) If it certainly has some pejorative connotation, the interest pursued is also "something of advantage," an "inclination of the mind toward the object, a person, a narrative, etc.," according to the RAE (2001, p.674), which makes the difference in the understanding of the word "interested". Understandably, bakers follow their interests and not those of shoemakers. In this respect, it is not exactly "convenience or benefit in the moral order" (RAE, 2001, p. 874).

[30](#) Selfishness and individualism are often confused. This is the "tendency to think and act independently of others, or without being subject to general norms" (RAE, 2001, p. 859). Suppose the former facilitates one's own judgment but is not always pleasing, especially in societies of dependents. In that case, the latter is general enough (rightly so) to suggest that certain norms (a different concept to laws) should not always be obeyed if they contradict self-consciousness (for example, if the norms lean towards racism or war, an individual option may be preferred).

[31](#) This is part of the renewed interest in Mandeville and the different ways of interpreting him. The most recent French edition translates "public virtues"; the Fondo de Cultura Económica edition translates it as "public prosperity", but in the English original, it is "public benefits".

[32](#) In fact, the movement of the economy concentrates property and causes it to be lost to others.

[33](#) While prices provide information, the producer is guided, according to Hayek, by the "selfish need for profit", which leads them to do "precisely what they need to do" to "increase the opportunities of every member of society", as long as the government does not interfere in the market. Moreover, "the high income of those who are successful, deserved or accidental, is an essential guiding element in getting them to make their fullest contribution to the whole in which all see their part" (Hayek, 1990, pp. 64-65).

[34](#) From "charro" unions to socialist bureaucrats reconverted to capitalism. Regarding the fact that selfishness is not "the natural inclination", see the works of Cyrulnik (2002) or Terestchenko (2007) on the banality of evil and good.

[35](#) Brown (2019) has demonstrated the neoliberal oscillation between the individual and family, which makes it complicated to speak of individuals outside of any form of socialization, social conventions and exchange. What Margaret Thatcher said is not always correctly restated, but it suggests the disconnection between individual decisions and social choices since, so to speak, the only thing that is "social" is the individual and their family. That which is useful may be anti-social, but it can be profitable: this is Mandeville's proposal.

[36](#) France's World Cup team in South Africa, for example.

[37](#) The "steal but let steal" of certain Mexican governments.

[38](#) Mrs. Thatcher argues that "there is no such thing as public money, rather taxpayers' money."