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ECONOMIC MAN VS. SOCIAL MAN

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Values--Their Consequences in Social Welfare Planning

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ECONOMIC MAN VS. SOCIAL MAN

David P. Eastburn.

My contribution to this panel is as a citizen-layman who has been involved in activities of agencies concerned with social welfare planning. Inasmuch as my training and work are as an economist, perhaps I can also contribute this dimension to some observations on changing values.

From this viewpoint, one aspect of changing values strikes me particularly forcibly. This is a conflict between a whole group of values which might fall in the broad category of economic and those which might be described as social. I see this conflict not only within society but also within individuals. - Economic Man is at war with Social Man.

This conflict also explains part of the generation gap. The other day a Gallup poll of college students quoted a Yale undergraduate as saying "We are disenchanted with the ideologies of the adult population today, with their belief that a large Buick says something important about one's self. The urge of people for self-aggrandizement repels us. Furthermore, we don't go along with the 'hard work mystique'--the notion that if one works hard he is therefore a good person."

Let me try to draw in a few broad strokes the distinctions I have in mind between economic values and social values. I am aware that in doing this I will be drawing a caricature. I will be guilty of exaggeration and over-simplification. But imagine, if you will, that we are conducting a poll of a representative group

of citizens, asking them what characteristics they associate with economic values and what characteristics they associate with social values. When you list these characteristics in two columns, you might get something like this:

<u>Economic Man</u>	<u>Social Man</u>
Production	Distribution
Quantity	Quality
Goods and services	People
Money values	Human values
Work and discipline	Self-realization
Competition	Cooperation
Laissez faire	Involvement

Economic Man tends to be concerned primarily with producing goods and services, with quantitative problems. Social Man is more concerned with how goods and services are distributed among people, and with qualitative problems. Economic Man expresses values in money terms. Social Man tends to measure more readily in human terms. The driving force behind Economic Man is work and discipline in the tradition of the Puritan Ethic and in the environment of competition. The driving force behind Social Man is self-realization in an environment of cooperation. Economic Man wants to be free to pursue his self-interest in the laissez-faire sense. Social Man wants to be free to involve himself in problems of his fellow men.

No moral connotations attach to any of these characteristics. They are not necessarily in conflict, of course, but in fact often are.

Over the long run Social Man has been winning out over Economic Man. The sharp edges of economic values have been greatly dulled. Let me read something by Herbert Spencer, for example, to show you what I mean.

...The poverty of the incapable, the distresses that come upon the imprudent, the starvation of the idle, and those shoulderings aside of the weak by the strong, which leave so many "in shallows and in miseries," are the decrees of a large, far-seeing benevolence.

Herbert Spencer in POVERTY IN AFFLUENCE, p. 58

Except for Ayn Rand and her disciples, virtually no one now really believes in letting the harsh disciplines of the economic system run rampant. Nevertheless, even with our minds mellowed by the humanitarian accomplishments of the past thirty years, many of us have been shocked into a new awareness of conflict. Organizations concerned with planning social welfare are in the middle of it.

How can social planners help resolve the conflict? I believe in two ways: (1) by helping Economic Man and Social Man understand each other, and (2) by recognizing that each has a contribution to make. Let me try to fill out these two points briefly.

Social Man needs most of all to understand what to Economic Man is a central concept of life--opportunity costs. This is the concept that everything has a cost in terms of opportunities foregone. Resources are scarce; once a decision is made to use them for one purpose, they are no longer available for another. One opportunity cost of your presence here, for example, is not being able to attend one of the eighteen other sessions which the

program tells me are now being held at this same hour. Economic Man, by and large, has learned to live with this principle. He makes his cost calculations carefully; he sets priorities. But I have the impression that Social Man has yet to get the message. If social planners can--without dulling the edge of the drive for social betterment--convince Social Man that everything cannot be achieved at once, they will have gone a long way toward a constructive resolution of today's conflict. Rising expectations are healthy, but only if we are aware of the limitations of resources.

Planners can also help Social Man appreciate the predicament in which he often puts Economic Man. Economic Man is trying to "make it" in a competitive world. In doing so he carefully calculates his own opportunity costs--how to use his time and energy to best effect. He devotes most of his resources to his economic pursuits, but he also is increasingly aware of his social responsibilities and hence becomes, as we say, "involved." How is he often received? If he gives money, he is criticized; it is just money. If he gives some of his time, he is just playing at doing good. I recall another panel on which a representative of a large corporation was explaining what his company was doing to meet the problems of the urban ghetto. When he was finished, the first question asked him was this: "Mr. X, where do you live?" I submit that the integrity of Economic Man should not be questioned because he fails to move his family from Scarsdale to Harlem.

At the same time, social planners can help Economic Man to understand Social Man better. You can help him to see how his economic motivations can be reconciled with social goals. Corporations are struggling now with this problem, and I believe with

considerable success. They are doing a great deal of soul-searching about the profit motive. Increasingly they recognize that if they take a sufficiently broad and long-run view, the search for profit can encompass many social activities. So corporations are now spending billions of dollars in the ghetto because they realize this is in their own economic self-interest.

Planners may have a harder time dealing with motivations of individuals. The Puritan Ethic is deeply embedded in our society. There is a strong belief that rewards should go only to those who discipline themselves, work hard, and produce. As a result, it is often hard for Economic Man, good Christian though he may be, to understand the plight of the disadvantaged. If only the poor would apply themselves, he feels, they could solve their own problems. And if Government tries to deal with poverty by some device for income maintenance, it only encourages shiftlessness. I believe these attitudes are weakening but only very slowly.

In short, social planners can help resolve conflicts between Economic Man and Social Man by helping each to understand the other. But they also can help in another way--by showing that both have a vital role to play. We cannot solve our social problems unless we have a strong and growing economy, and we cannot prosper economically if we continue to have large parts of the population not sharing in the fruits of production.

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