

# Taking a Closer Look at the Ethical Principles that form the Basis of Economics

Hamid A Rafizadeh\*

Emeritus Professor, Bluffton University; Adjunct Professor, University of Dayton, USA

## \*Corresponding Author

Hamid A. Rafizadeh, Emeritus Professor, Bluffton University; Adjunct Professor, University of Dayton, USA

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## Abstract

*Economics is the systematic study of efficiently allocating limited resources to meet the diverse needs and wants of individuals and societies. Despite its presence in all activities of production and exchange of goods and services, the ethical underpinnings of economics lack clarity. The purpose of this paper is to shed light on ethical dimensions woven into the structural features of economics. This would allow a deeper understanding of ethical considerations that shape economics, thereby enhancing our understanding of ethical implications in societal decision-making regarding resource allocations to serve the needs of all.*

## 1. Introduction

Economics is characterized as mechanism of allocating limited resources of individuals and societies towards their needs and wants. While the concept appears straightforward, supported by mathematical models and applied to almost all activities of production and exchange of goods and services, the question of “ethics of economics” is not clearly resolved. Within the domain of economics, ethics is treated as an appendage, one that may not fit well now and has to be adjusted in the hope that someday and in some form, it will fit [1].

The ambiguity of ethics in economics can also be seen in structures adopted for the discipline. The assumption of free choice for market participants, the reliance on mathematical models, and the near-religious belief in completeness of economic doctrines prevent economics from seeing the broader ethical considerations [2]. In this paper I have chosen not to pursue a new ethical appendage for economics. Instead, I analyze the structural features of economics to bring focus on ethics already inherent in the design of economic models and economic thought.

The traditional representation of economics is mechanical. For example, in the housing market, the supply of available houses is deemed relatively inelastic because of the time lag between price changes and addition of new houses. Thus, if the demand curve shifts because of changes in buyer preferences, there would be a large increase or decrease in house price. In such setting, the price that the seller is willing to accept, and the price the buyer is willing and able to offer, determine the transaction. This process appears

so sound that it is declared a law—the law of supply and demand. It is deemed devoid of any ethical shortcomings or considerations.

## 2. Scarcity of Resources

Resource limitations are an enduring and ubiquitous aspect of human experience. Resource constraints cause the collective of needs and wants to exceed the available resources. This has endured even though every limitation is conditional on the level of human knowledge. Before humans knew about oil and coal, the energy source was wood, a limited resource. The knowledge and availability of oil and coal expanded the energy resources. Yet it only moved the human individual and the society to a higher plateau of limited resources. If in future humans gain the knowledge of sustainable nuclear fusion, the societies will move to a much higher plateau of energy availability. The limitations, however, would not disappear. From such a perspective, the historical experience of resource limitations saturates the economic thought.

The society’s available resources are used to create a “societal pool of goods and services.” In order to satisfy the daily human needs, the society continually applies its resources to create the societal pool of goods and services. If “resource limitations” are deemed to be an intrinsic aspect of life, how are humans to access the society’s pool of goods and services? What is the “ethical access” to the pool of goods and services in a society of limited resources? Should access be shared among all, or should it be selectively controlled? The significance of these questions becomes evident when we consider that “[I]terally millions of people are involved in providing one another with their daily bread, let alone with

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their yearly automobiles” [3]. Adam Smith describes this as human needs for things like housing, transportation and food “produced by the joint labour of an infinite number of hands” [4]. This highly interacting and interdependent structure is named the “societal capability sharing system” where the sharing of every human’s capabilities is directed toward providing for everyone’s daily needs [5]. Regardless of how it is characterized, within the "societal capability sharing system" people share their skills to meet everyone's daily needs in a connected and cooperative way. If a society has such an intense structure of interactions and interdependencies just to provide an individual’s food, automobile, and house, what should be the ethical pattern of access to the society’s pool of goods and services?

Economics sees humans as makers and traders of things. As makers and traders, what would be the optimum pattern of production and exchange of things that humans need? To facilitate production and exchange, humans have learned to create and use a “common unit of exchange.” In the US, the common unit of exchange is “dollar.” Thus, every production and exchange can be expressed in common units. The total units of exchange paid for a product or service defines its “price.” In this arrangement an exchange occurs when the one providing a product or service receives what is set as price. The person paying the price is someone who needs the product or service and is capable of paying the price. It is a simple process. It matches the price expectations of the supplier of goods and services with capabilities and resources of the one who demands such product and service. According to economists, this establishes the essence of a market-driven system of allocation of limited resources. Only those having “personal” resources to make an exchange would produce or obtain a product or service. Those without personal resources are left out.

This is the first observation on scarcity-driven ethics of economics. Even though the society produces its goods and services from highly interlinked and interdependent humans, the price-based allocation divides humans into two groups, one capable of performing the exchange, the other not. Thus, the ethics of economics starts from a base of “resource capability.” Those who are “resource capable” can trade for their wants and needs. Those not resource capable, should try to become so. If still not resource capable, economics deems it ethical to keep them out of the exchange process.

This inherent ethical feature of economics has developed its own justification logic. It can claim that the price system forces human to seek and acquire resource capability (purchasing ability). Moreover, given the ethical underpinning of economics, everyone would recognize the value of striving for greater personal ownership and control of resources-greater income,

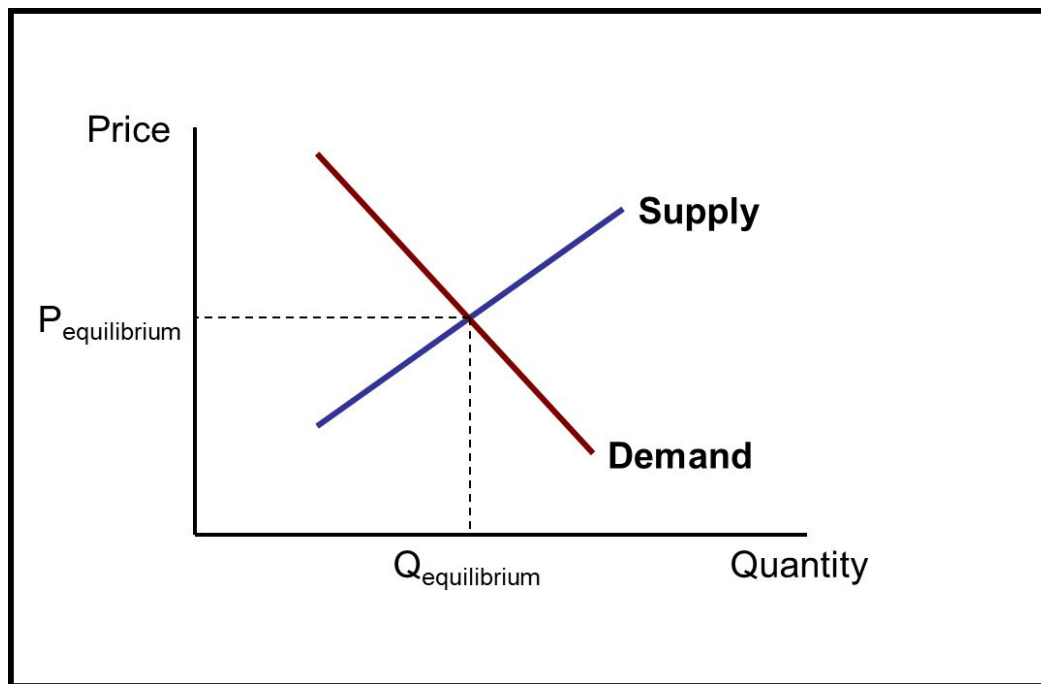
more property-to make sure he or she will not be left behind in exchange processes. “Efficiency” arguments can be added to this logic. The price system would be a measure of efficiency of resource utilization. It offers a practical incentive to increase the production quantity or to produce goods and services valued by those owning and controlling resources. In this paper while I address the justification logic of the ethical design of the economic system, my focus remains on identifying the key components that constitute the existing ethical framework in economics.

### 3. Inherent Ethical Design

The first inherent ethical design of economics is the treatment of highly interacting and interdependent group of humans as “distinct and separate” individuals. This view deems it ethical that even though no human can live without contributions from shared capabilities of millions of other humans, that when it comes to the question of accessing the goods and services that the society has collectively created, the access must be from the point of “individual” and not the collective. Thus, a key component of ethics in economics is the individualistic resource capability, synonymous with ability to pay. The price-based economic system is designed on ethics of “resource capability.” It is ethical to serve the needs and wants of those that have “personal” resources and thus are resource capable. In an exchange among resource-capable humans, price is the determinant of ethical exchange. How is “price” determined?

Economics divides an exchange into two operational components. First, the suppliers of products and services, second, the buyers of products and services. The number of suppliers and buyers changes according to price. The higher the price, the greater the number willing to supply and the smaller the number of buyers. Similarly, the lower the price, the smaller the number of suppliers and greater the number of buyers. Such variation originates from the fact that price is a measure of “resource capability.” The suppliers seek buyers with high resource capability. Buyers seek suppliers that require low resource capability.

The economists summarize the above arrangement in terms of the supply and demand diagram illustrated in Figure 1. This diagram consists of the “supply curve” which depicts the quantity sellers are willing and able to offer in exchange for resources quantified in terms of price. The “demand curve” outlines the quantity the buyers are willing and able to buy at a given price. The intersection of these two curves designates the equilibrium point where the “resource capability” of both suppliers and buyers align. This equilibrium point establishes a market of exchange at the equilibrium price. Any suppliers or buyers unable to participate at the equilibrium price find themselves excluded from the market.



**Figure 1.** The supply and demand curves determine the market equilibrium price.

The demand curve's ethical character is revealed as a "resource capability" curve. The suppliers represented by the supply curve seek to serve the resource-capable humans. Within economics, this structure is inherently regarded as "ethical." It is not considered ethical for a supplier to provide products to humans lacking the necessary resource capability, regardless of the urgency or intensity of that individual's demand for the product. That the society is built upon the foundation of highly interacting and interdependent humans is deemed inconsequential. The starting point of economic ethics is declared by the recognition of "resource limitation" as its fundamental premise. If resources are limited, and not everyone can be provided with what they want or need, then it is ethical to allocate the products and services according to a price-prioritized rating that reflects the individuals' resource capabilities.

#### 4. Brute Force and Economics

What economics does not address at all is the fact that the law of supply and demand exists within a societal force-based structure. As such, in reality, the exchange-based market deemed ethical by economists is founded on "brute force." Every human can be an applier of brute force on others. The easiest way for taking the resources of others is through applying brute force on others, while the most difficult and most challenging, and at the same time most beneficial societally, is resource taking through voluntary exchange of goods and services. To exist, humans, as individuals and organizations have to take the resources of earth and others. Every human needs a car made by others, food made by others, house made by others, and all those artifacts are put together by humans using earth material. They are resources belonging to the makers to be taken by those that need them for daily life. Given that each human, invariably, is a resource taker, all societies, across

millennia, have learned that the best way for human interactions is through voluntary—not forced—resource taking, especially in exchanges of goods and services. The foundation of societal existence is thus "voluntary exchange-based resource taking" within a matrix of force-backed laws that promote and stabilize such behavior. The laws are societal demands for human behavior. The laws are backed by the society's concentrated brute force made of police and armed forces, managed by the courts [6].

Take away the societal force network within which the supply and demand curves operate, and both would cease to exist. This underscores the economic understanding that the "basic requisite is maintenance of law and order to prevent physical coercion of one individual by another" [7]. Consider the person in need of a basic necessity like a loaf of bread or medicine, yet lacking the resource capability to engage in a market exchange. In that scenario, the "societal brute force" blocks that person's access to essential goods. It becomes evident that the equilibrium price is not maintained by market participants but rather by the societal force network that guards against interference by those incapable of providing the resources needed for an exchange.

The force-based foundation of the law of supply and demand runs deeper than the superficial use of societal brute force to keep the resource-incapable humans out of the exchange process. In essence, ethical underpinnings of economics parallels ethics of "brute force." The application of force takes place at a variety of levels and forms. It can be applied by an individual to another or aggregated—concentrated—into a societal tool directed at individuals, groups, or the entire society. In the economic realm, brute force assumes the structure of a "complex network"

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encompassing laws, rules and regulations. The laws, rules, and regulations are “extensions” of society’s concentrated brute force. Each extension flows backward towards the centers of concentrated brute force embodied by institutions like the police and armed forces [8]. Economics, as a discipline, primarily deals with these force extensions.

The societal force network, comprised of concentrated brute force and its extensions, dictate and shape human economic behavior. Within the highly interdependent and interactive social structure, this network shapes the patterns, intensity, and preferential flow of the society’s resources from one individual to another. It plays a crucial role in determining where resources aggregate to form “resource accumulations”—wealth-controlled or owned by individuals or groups. Across human history, the brute force concentration, and the control and ownership of accumulated resources, have maintained a connection akin to inseparable twins. Economics prizes the accumulated resources owned and controlled by an individual, with wealth representing the pinnacle of personal resource capability deployed in market-based exchanges. The societal force network remains integral to creation, maintenance, and protection of personal resource capability that manifests and materializes as wealth in the economic landscape.

To develop a view of economic implications of brute force, we need to go back to the dawn of humanity. Envision a primeval setting for the discovery of the role of brute force in economic relationships. In this primitive context, someone astutely observed that force, when concentrated, could be advantageously used to control the flow of resources in exchange processes. The collaborative force of two or three males, would sway the allocation of a group’s resources. By concentrating and controlling the application of force, they could direct the behavior of others and even claim some of the group’s resources as their own “personal” gain. No lone individual could successfully fight off the banded individuals.

Upon realization of the potency and efficacy of banding, higher concentrations of brute force emerged. A select few could now control and direct the flow of a large group’s resources while securing personal advantages. This marked the birth of the “ruling group” and the ensuing resource capability differentials. No longer compelled to independently pursue resources, the resource-capable group could extract them forcefully from others, ensuring compliance. The force management pattern dictated and controlled the design and operation of the society’s supply and demand curve. Societal resources were selectively allocated to create a pool of goods and services tailored to the expectations of the ruling, resource-capable group.

This gave rise to the nucleus of a force-based economic structure—a society headed by a group of “privileged.” Privilege, in this context, was chiefly defined by personal resource capability and control of concentrated brute force. The dynamics of privilege and

the selective access to society’s resources mirrored the patterns of concentration and application of brute force, shaping the trajectory of societal evolution.

### 5. Economics of Privileged Resource Takers

I have so far defined “resource taking” as the genesis of privilege, quantifying privilege as “accumulated resources” under an individual’s control. An individual wielding private control over \$10 million is deemed a person of “high privilege” due to command over \$10 million of resources. Economics has no problem with personal-private-ownership of accumulated resources despite the fact that the origin of every accumulated resource can be traced back to the capabilities shared by millions of other humans. The individual acting as “resource taker” is credited with having played the resource taking game well within parameters set by the societal force network. According to the design of the society’s force-based resource taking system, such individuals are deemed deserving of the privilege they attain through their adept participation in exchange-based resource taking aligned with established rules.

Nevertheless, a crucial ethical dilemma surfaces in economics when we consider that \$10 million is essentially “taken” from the shared capabilities of the masses during the production and exchange of goods and services. This significant sum embodies resources generated through the shared capabilities of the masses. It prompts the question of whether the societal force network could have been structured to designate ownership to the masses while, for ease of management, allowing an individual to control its application to human needs. Consequently, economics has to take a position on ethical dimensions of the “force-based resource taking system.” In essence, economics should be more accurately characterized as science of force-based resource taking rather than science of supply and demand.

Viewed through this lens, economics is not solely concerned with allocation of society’s limited resources, rather, its fundamental purpose lies in the force-based control of the resources and behavior of the masses, as perceived by the privileged who have amassed economic power through concentration of brute force. Within the realm of economics, a foundational and often overlooked ethical question is whether a force-based system of allocating goods and services is ethical. For millennia, the privileged have endorsed the ethics of such a structure. Over the course of these millennia, the privileged have discerned that concentrating brute force, conditioning humans to serve the privileged and their interests, and orchestrating resource taking in orderly market exchanges can be normalized and ingrained as ethical societal behaviors. This normalization is particularly successful when these practices are linked to the protection of the masses from other “adversarial societies” managed and manipulated by privileged but nefarious individuals. As a result, “oppositional resource taking structures”—adversarial nations— have become a predominant feature within today’s hierarchy of privilege.

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In the contemporary landscape, whether it takes the form of government taxes or corporate profits, resource taking operates within a societal force network considered pragmatic for facilitating exchanges of goods and services. Every society is conditioned to value the protection afforded by its own societal force network, shielding it from the “threatening others” that utilize a different societal force structure in market creation and establishment of privilege differentials. Every society’s center of concentrated brute force is designed to defend the societal force network and its associated privilege structure, at times to the death of all humans. Historically, those wielding brute force to shape economic conduct are resolute in their commitment to facing death by concentrated brute force when the time comes. The existence of tens of thousands of nuclear weapons stands as a stark testament to such unwavering dedication. Consequently, the question becomes: in a highly interactive and interdependent social structure, what level and intensity of “concentrated brute force,” is deemed ethical for exchange of goods and services?

Does economics see beyond universality of the law of supply and demand? Does it see its force-based foundation? Does it recognize that it is a human-made artifact? Some would argue that there is nothing universal about a force-based economic system. That it is only an “artificial innovation in human political order” [9]. If every force-based system is an artifact, how is it used in economics? In economics it manifests as a structure in service of the privileged. It facilitates orderly extraction of resources from a population whose sharing of capabilities is always subject to the direction set by the privileged. For example, historically, the privilege structure has ensured that the flow of resources into the king’s coffers is regularly maintained and accounted for [10]. While it is clear that the king is a force-maintained societal entity, modern economics overlooks the continuity of this arrangement, that the resources accumulating under the names of the privileged are created and maintained by a design incorporated into the societal force network. It is obvious that the king can hold on to his treasury and declare it his own only because of the army that protects it. Without the army the king would be just another ordinary human with accumulated resources comparable to the average human. But economics masks the same dynamics in current society’s privilege structure.

From this perspective, politicians assume the role of the society’s “force managers,” defining and designing the laws, with their central concern being the promotion and protection of resources accumulated by the privileged. When referring to “privilege,” it is not confined to the rulers and kings, the wealthy, or the corporate CEOs. These are distinct singularities within the broader spectrum of privilege. In a more general sense, anyone possessing resource capabilities above the market’s equilibrium price is a privileged human. The privilege, therefore, exists as a continuous parameter across the dimension of resource capability. The more resource capable the human individual, the higher the level of privilege.

In the force-based resource taking system, the “common good”

becomes a force-based privilege structure. With this design, economics can assert that to serve “privilege” would be for everyone’s good. The masses of people simply exist to serve the privilege structure so they themselves would be eventually served. In this arrangement, in theory, the gradation of privilege is assumed capable of extending to include every human. The force-based resource taking system thus thrives on its ability to provide a myriad of force extensions that combine to form the societal force network within which the market allows exchanges among resource-capable humans and in the process extracts resources from the market players to direct towards the privilege structure that controls and manages the collective of the force extensions [11].

## 6. Ethics of Concentrating Brute Force

From the above I make the following key observations. First, a highly interdependent and interactive society needs a structure to manage its resources. This can be characterized as economic necessity. There is no evidence that resource management by force-created privilege produces desirable outcomes for the whole population. I start by challenging the ethics of force-based economics and raise the fundamental question of the level of “force concentration” economics needs for efficient exchange of products and services according to collective needs. I question the ethics of creating an economic structure that serves “privilege” first.

As a deep ethical concern, the path of concentrating force to protect privilege includes the feature we know as “war.” War is a confrontation of highly privileged in order to establish hierarchy of superiority in resource taking. The force-based economics provides the highly privileged with the ability to make war at any time they deem their privilege is being threatened. Humans could see this phenomenon most clearly when princes and kings faced each other in battle [12]. Over time, the highly privileged have learned that titles like king and ruler, and appearances like castle and crown, were counterproductive to their success. The essence of privilege has always been “resource taking.” Today humans cannot recognize that the corporate CEOs and government officials play the same roles once exclusively reserved for kings and princes. From the war point of view, economics has to address the ethical implications of societal annihilation embedded in creating, maintaining and perpetuating direct, individualistic control of armed forces—immensely concentrated centers of brute force—by the privileged.

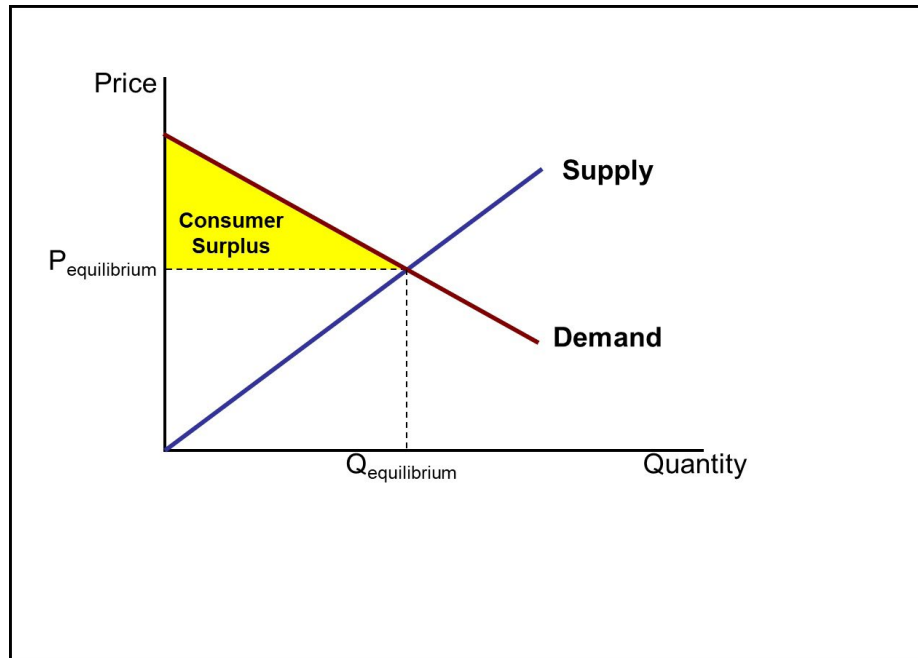
The economic bias towards resource-capable humans is reflected in another view of the demand and supply diagram. Economics quantifies human wellbeing through the concept of “consumer surplus.” This surplus signifies the difference in price each consumer is willing and able to pay based on the demand curve and does not because one only pays the lower equilibrium price. In other words, those that are resource-capable, get to keep more of their resources because of the price-driven exchange of products and services. For the privileged, as illustrated in Figure 2, the



consumer surplus is shown as the area above the market price and below the demand curve. This view states that fewer resources are taken from the resource-capable humans because of price-based markets, reinforcing what is already known, namely that the market system, driven by price, favors those with resources.

It is important to reiterate that “consumer surplus” is a force-based attribute. The person capable and willing to pay \$10,000

for a loaf of bread only pays \$2, maintaining a surplus of \$9,998 solely because the societal force network protects that individual’s \$10,000. The whole demand curve, therefore, functions as a force-backed structure. Without the force, the demand curve collapses. An individual who has accumulated \$10,000 has no inherent means of protecting it individually. That resource has to be shared with all those whose resource capability falls below the equilibrium price.



**Figure 2.** Consumer surplus as a measure of buyer wellbeing and privilege.

How are we to understand the declaration that the force-based supply and demand diagram implies “voluntary cooperation” among market participants? Such a view declares that “individuals are effectively free to enter or not enter into any particular exchange” [7]. This economic view overlooks the fact that the voluntary cooperation exists only for the resource-capable humans. All others are chained by the societal force network, kept away from the society’s pool of products and services.

Let us have a closer look at the force-based supply curve. The supply curve is determined by a number of parameters. These parameters can shift the curve to the right or left, thus changing the equilibrium price and the consumer surplus. So far, I have only shown its dependence on price, assuming all other parameters to be constant. A more general representation of the supply curve would be:

Quantity supplied = **a function of** (price (+), knowledge (+), taxes (-), price of input factors (-), number of suppliers (+), etc.)

The plus or minus sign next to each parameter indicates the effect on the quantity supplied if the parameter changes. For example, if government increases the tax rate, the quantity supplied decreases.

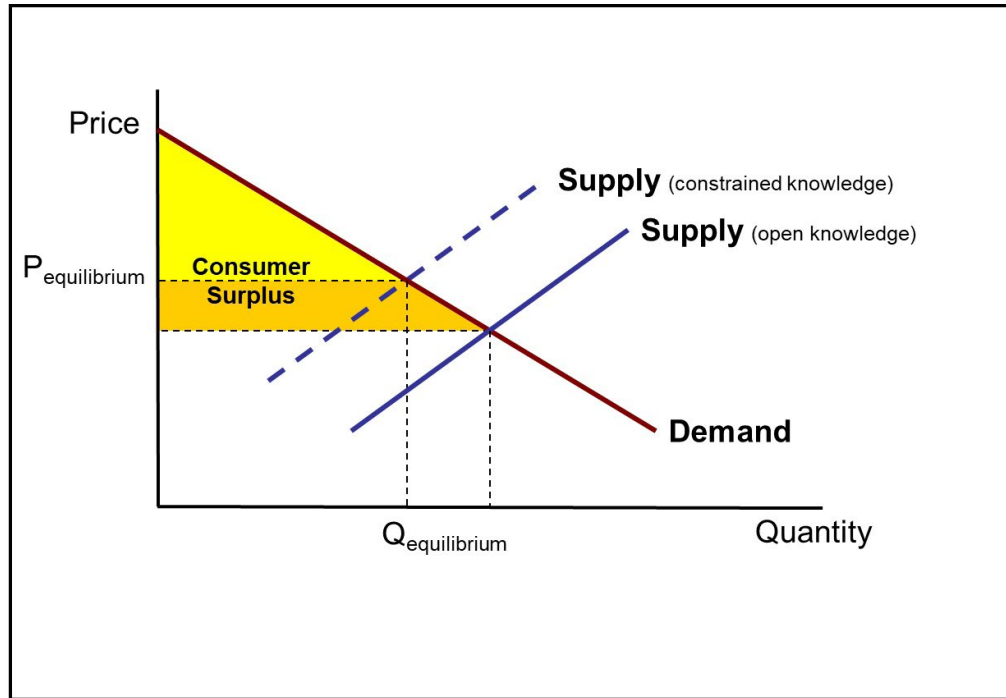
Consider the case of “knowledge.” If knowledge increases, the quantity supplied increases. The implied conclusion is that the greater the human knowledgebase and the more available to all, the larger the quantity supplied to consumers. The privilege-driven system, however, is designed around “constrained knowledge.” Knowledge is constrained and its flow controlled through private ownership, no different than any other accumulated resource.

The privately constrained knowledge allows the owner to use it exclusively and charge higher prices for products and services that emerge from that knowledgebase. No privileged individual or organization is willing to share its knowledge with others simply because it would not be advantageous to one’s privilege. Is it ethical to constrain the societal knowledge that comes into existence from capabilities shared by a myriad of interacting and interdependent humans? More than any other resource, knowledge belongs to the society as a whole. Is it ethical to place the control of knowledge in the hands of the few highly privileged humans?

In Figure 3 I summarize the ethics of constrained flow of knowledge. Economics takes the position that it is ethical to keep knowledge within the domain of a select organization, and to not allow it to flow to others in the society. Clearly, the masses would gain from

improvements in open flow of knowledge as greater quantities of products and services become available at lower prices. Moreover, a larger consumer surplus would extend privilege to many more. That would allow the flow of resource to other needs and wants not previously possible. But the force-based design of economics does not allow ethical considerations of open flow of knowledge.

It declares constrained, privilege-controlled flow of knowledge as good. The point is not that a society cannot structure itself based on privilege, but whether the society knows and understands why a privilege structure is the better societal design.



**Figure 3.** The effect of knowledge flow on equilibrium price, quantity supplied, and consumer surplus.

### 7. The Notion of Profit

To dig deeper into ethical shortcomings of economics, I will examine the economic notion of “profit.” At start, my treatment is going to be slightly mathematical, but it results in a more rigorous demonstration of new components of ethics inherent in economics.

Let us define the firm’s economic profit (including opportunity costs) as  $\pi(Q)$ .  $\pi$  represents the profit and  $Q$  is the quantity of products and services produced or sold. The function  $\pi(Q)$  states that profit  $\pi$  is dependent on quantity  $Q$ . In producing the quantity  $Q$ , the company shoulders the cost  $C(Q)$  for which it receives the revenue  $R(Q)$ . The difference between revenue  $R(Q)$  and cost  $C(Q)$  is the profit  $\pi(Q)$ .

$$\pi(Q) = R(Q) - C(Q)$$

This equation balances the resource flows involved in the exchange. The cost function, denoted as  $C(Q)$ , is the resources the suppliers give up in the exchange. The revenue function,  $R(Q)$ , signifies the resources the buyers give up in the same exchange. The difference is “extra resources” taken from buyers by suppliers. Economics declares this extra “resource taking” as good, and as the sole

objective behind producing goods and services. The accumulation and ownership of these extra resources produces form the bedrock of privilege. The greater the accumulation of resources, the higher the privilege attained.

Is the act of extra resource taking ethical? Economics is so sure of the ethical value of this extra resource taking that it asserts it must be maximized. The maximization of taking the resource of others through voluntary exchanges is deemed to be ethically sound, and profoundly beneficial to societal wellbeing. Within this framework, every supplier is urged to strive for maximum profit in any exchange.

Let us continue with a few more mathematical expressions to develop a better understanding of what profit maximization means to the society. Mathematically, to maximize the profit, its derivative has to be equal to zero. Thus,  $\delta\pi(Q)/\delta Q = 0$ . Applying this to previous equation results in:

$$\delta\pi(Q)/\delta Q = \delta R(Q)/\delta Q - \delta C(Q)/\delta Q = 0$$

which concludes in:

$$\delta R(Q)/\delta Q = \delta C(Q)/\delta Q$$

The above equation allows us to make significant observations as to how economics sees the world. In this equation  $\square R(Q)/\square Q$  is the marginal revenue (MR), namely the revenue obtained by selling one additional unit. Similarly,  $\square C(Q)/\square Q$  is the marginal cost (MC), namely the cost of producing one additional unit. The economic profit reaches its maximum when marginal revenue equals marginal cost. In summary:

$$MR = MC \rightarrow \text{maximum economic profit}$$

To clarify the significance of this economic relationship and to relate it to price, quantity, and consumer surplus, I start with a simple expression for the demand curve. Mathematically, in the demand curve, the relationship between quantity demanded (Q) and price (P) is given by:

$$P = a - bQ,$$

where a and b are constants.

Given the price P and quantity Q, we can calculate the revenue R by multiplying the price by the quantity. This results in:

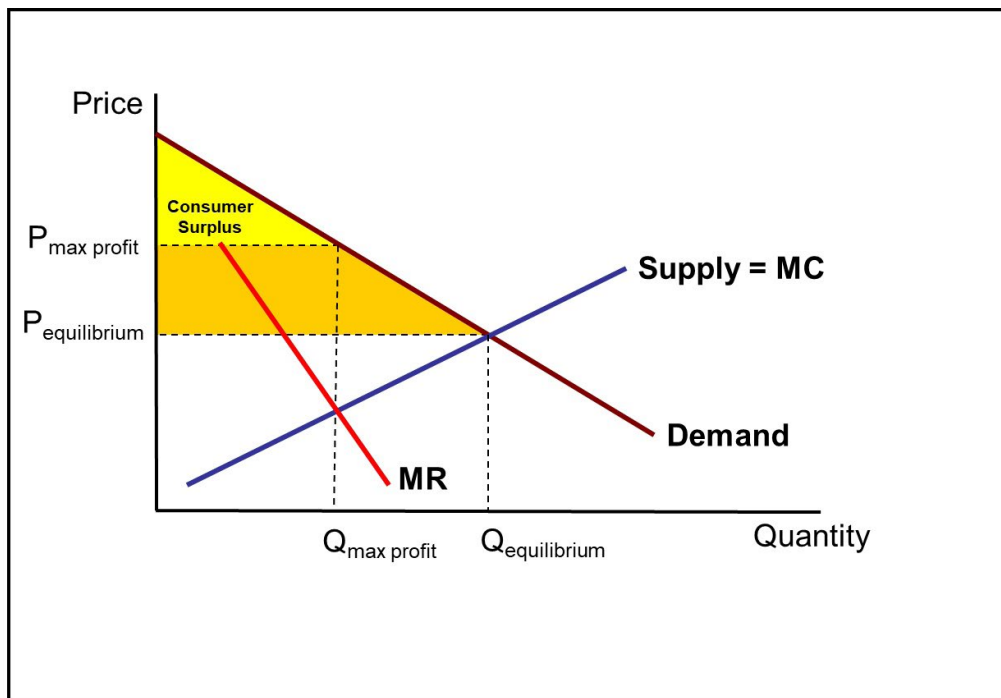
$$R = PQ = (a - bQ)Q = aQ - bQ^2$$

From this expression we can calculate marginal revenue (MR).

$$MR = \delta TR/\delta Q = a - 2bQ$$

What we have done so far demonstrates the following general features of economic thought and models. The demand curve (a measure of average revenue) and marginal revenue (a measure of profitable additions to revenue) have the same intercept on the price axis. Along a similar line of reasoning, the marginal revenue's slope is twice the slope of the demand curve. Using this information, in Figure 4 I have added the marginal revenue curve (MR) to the supply and demand diagram. Note that in Figure 4, the supply curve is also the supplier's marginal cost (MC).

The market's quantity and price are determined by the equilibrium point, namely the intersection of the supply and demand curves. However, the equilibrium point is now superseded by the point of intersection of marginal revenue and marginal cost. This intersect, the point of maximization of profit, now defines the price and quantity at which the supplier would operate. This shift from point of equilibrium to point of profit maximization not only produces fewer goods, it does so at higher prices. Equally important, it minimizes the consumer surplus. Along the dimension of privilege, it drops the economic wellbeing of many consumers to the lowest level.



**Figure 4.** Substantial reduction in quantity produced and consumer surplus and a substantial increase in price because of the focus on profit maximization.



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Profit, in and of itself, plays a critical role in societal wellbeing. The ethical dilemma raised by Figure 4 centers on whether profit should be maximized particularly when such maximization results in production of fewer goods and services at higher prices, thereby adversely affecting the wellbeing of many.

Profit and its accumulated form as wealth, serve three key operational functions in managing society's supply and demand curves [13]. The first operational function declares wealth as a measuring rod for "efficiency" in applying shared capabilities to provide for daily human needs. Efficiency, as an input-output relationship, requires that the resources taken must exceed those given out. The resulting difference is profit and accumulated profit is wealth. The act of wealth-making serves as a gauge of whether the individual, organization, or society is resource-efficient. A resource-inefficient entity, be it an individual, organization, or society would face serious challenges in surviving and prospering, especially over the long run.

The second operational function declares wealth as a measuring rod of "value" attributed by consumers to goods and services they buy and use. If no one values a good or service, no one will buy and use any, and thus the organization that produces that good or service cannot generate any wealth. When incapable of generating wealth through creation of value for others, the worker becomes unemployed, and the organization dies out.

Continuing along the same line of reasoning, the third operational function declares wealth as the measuring rod for the "amplification of capabilities." Wealth enables its holder to hire people, buy machinery, and organize capabilities to produce and distribute goods and services. Without wealth, none of those would be possible.

The three operational features of profit coupled with its accumulated form as wealth, clearly demonstrate the significance and impact of profit for individual and societal wellbeing. The question raised in Figure 4 is not about "not having profit," as advocated by some societies in the past, but whether it is economically ethical to maximize it. It remains a question that has not been answered.

### 8. Which Product, Which Service

At this point I raise another ethical question about economics. Which products and services are to be produced for the society? For example, should a highly privileged person, owning or controlling millions of dollars, produce inexpensive food for the poor or luxury automobile? Currently the decision-making criterion is not rooted in basic human necessities but in maximization of profit according to demands of resource-capable humans. If the resource-incapable humans (the poor) need food or housing, they cannot possibly be the maximizers of resource taking for the privileged. Thus, the decision-making focus stays centered on production of luxury automobiles for resource-capable humans that demand it. Such production strategy allows for maximization of resource taking.

The force-based resource taking system is fully supportive of behavior that constantly seeks to maximize the wealth flow toward positions of privilege. Those excluded from the profit-maximization process are relegated to a status of irrelevance. But economics itself must question the ethical propriety of such allocation of societal resources. While profit-making is essential to societal wellbeing, it is important to recognize that the maximization of profit-making does not align with broader societal interests and thus ethically questionable.

The force-based resource taking is a millennia-old economic structure underlying every social structure notwithstanding its name. Whether labeled as empire, monarchy, capitalism, socialism, dictatorship, or any other designation, these societal structures share a common foundation rooted in the force-based resource taking system, and consequently, the assignment of privilege to those that own and control the society's accumulated resources. A serious ethical question in this arrangement arises from the fact that those that own or control the accumulated resources also set the direction of application of accumulated resources. They are the ones that determine which products and services and for whom should be produced.

I set aside the food and luxury automobile example and choose another from an earlier time to hear a different voice on ethical concerns at hand. In observing ways of allocation of societal resources, Martin Luther takes the position that it should be based on resource sharing and not resource taking. He sees any societal deficiency as an economic reality imposed on the masses by the way the highly privileged allocate the society's resources.

The princes governed through power and terror while living luxuriously and accumulating fortunes [14].

Priorities for the use of money are clearly established in Scripture. The first and most important is to help the poor, the needy, those who suffer. While there are poor, churches should not be built or decorated nor sacred vessels bought. Secondly, hospitals should be built. Only when there remain no needy persons should the construction of churches be resumed [15].

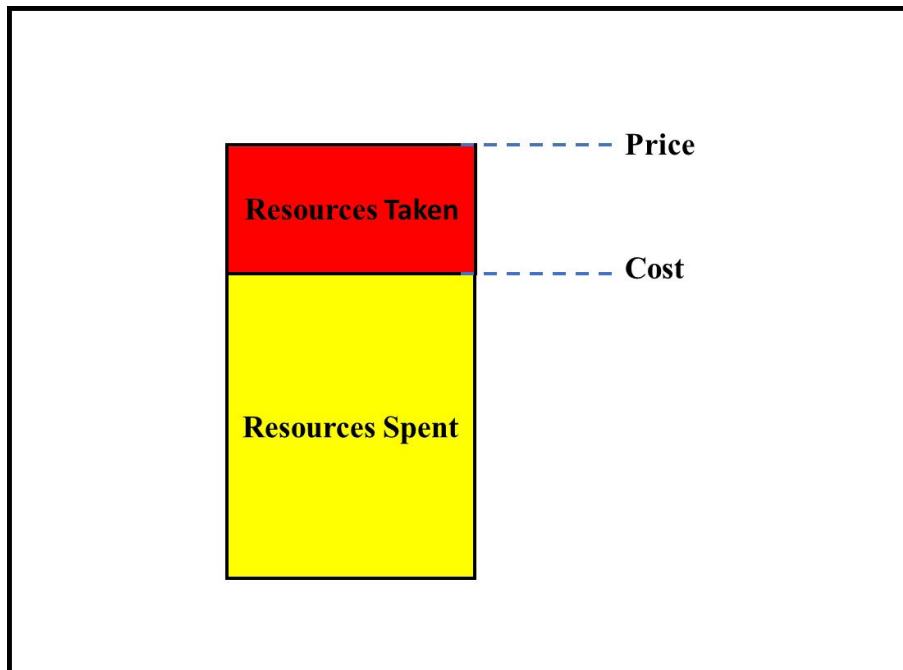
In Luther's time, the discrepancies in application of societal resources were easier to see. Today it is more difficult. Today's allocation of societal resources is more complex. We may hear of the tax break given to the rich by Donald Trump but not recognize the flow of societal resources towards the mansions than societal healthcare. We may look at Donald Trump but not see a "highly privileged" person engaged in princely acts of helping the society's highly privileged. The economics suffers from the illusion that the highly privileged person, especially the one at the top of government, is there to help the masses. If economists were dealing with princes, they would rarely suffer from such illusions.

The force-based system's resource applications are not directed at meeting the needs of the masses but at maximization of "privilege"

defined as accumulated resources taken from others. Does this raise an inherent question of ethical design of economics? Does it inflict harm on humans satisfying their needs for products and services, or is it the only way humans know to allocate the society's resources? Before I answer the question, I reiterate that be it the focus on resource-capable humans, constrained flow of knowledge, or profit maximization, economics produces fewer products and services at higher prices when its focused on serving the privileged. It is a structure that uses "price" as mechanism of "resource taking." The price depends on the level of resource taking deemed possible. At one extreme, bound by circumstances, one may have to limit the resource taking to only cover "costs." At the other extreme one may have the opportunity to take as much as is possible, much more than cost. Historically, most societies have tended to side with taking "as much as possible." Here I note that the historical acts of resource taking have not been limited to exchange processes and at times included taking of resources

through direct application of concentrated brute force, namely acts of war.

Put simply, every exchange of products and services has the resource taking characteristic given in Figure 5. For resources spent, the supplier does not seek to recover the same through the exchange process. Instead, the production of products and services is driven by the incentive of "resource taking." Modern economics adheres to this historical norm of resource taking, asserting that taking the resources of others in voluntary exchanges is not only ethical but also beneficial for society. This concept is characterized as "economic freedom" and hailed as "an extremely important part of total freedom" [7]. However, this language fails to acknowledge that the illusion of freedom at taking the resources of others comes about when everyone is bound by a societal force network that selectively manages and perpetuates the resource taking processes for the advantage of the privileged.



**Figure 5.** The relationship between cost and price in flow and exchange of resources.

### 9. The Role of Competition

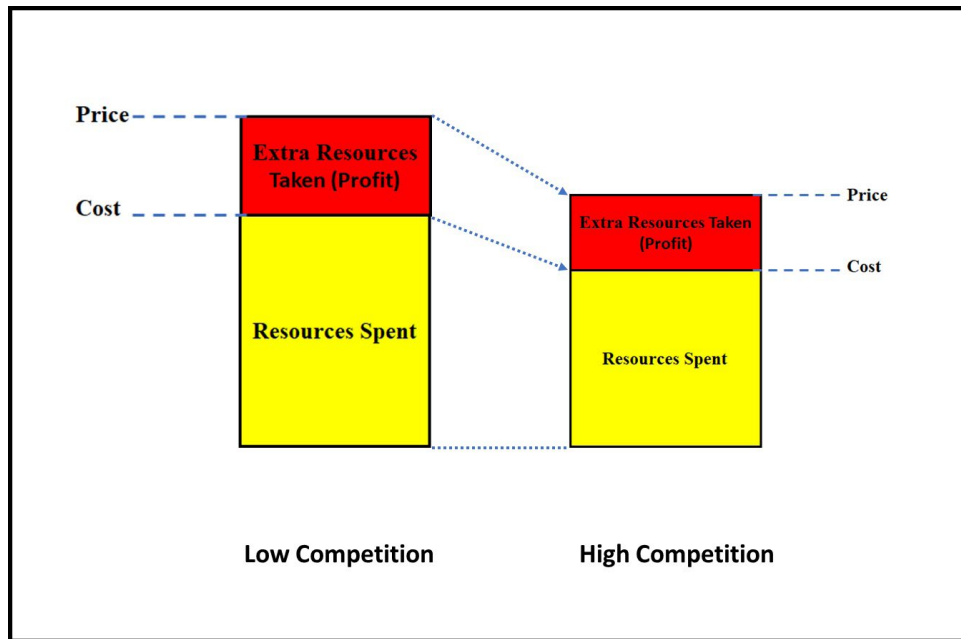
I have identified a number of ethical concerns with the force-based resource taking system. How is it possible that the economic community has not seen the potential harm in the privilege-based design of the force-based resource taking system? Have they not seen the wars? Is the gap between the rich and the poor not visible? There are lone voices that criticize the assumption of "free choice" for everyone dealing with the market, the reliance on mathematical models that do not capture all aspects of the privilege-driven market, and the near-religious belief in completeness of economic doctrines. Yet the illusion of ethical completeness persists and prevents economics from seeing the direct and systemic harm that pervades every society's exchange activities [2]. But still, I

argue that the effects of the force-based resource taking system are simply too large and pervasive to go unnoticed. Many more must have noticed it. The dedication of economics to a privilege-based market operating within the societal force network is undeniable. Yet, there are also signs that economics has implicitly recognized the harm of the force-based resource taking system and has sought to reduce it. How is this accomplished? We are told that such remedial action comes through the requirement that the resource taking, the privilege structure, and the focus on resource-capable humans must evolve within an environment characterized by "perfect competition."

In an environment of perfect competition, where many resource-

takers seek to provide the same products and services to the masses, because of competitive pressure, the prices would approach costs, the profit margins would shrink, and as a result, the resource taking would be at a minimum. Does this remedy the ethical problems I have identified? Does it counter profit maximization, hoarding of knowledge, and producing to serve the desires of the resource-capable humans? No. In practice it only provides a facade of propriety, a promise of ideal conditions where resource taking would be minimal, and all this articulated in the veiled and obscure language of “perfect competition.”

In reality, every market evolves toward being controlled by a few large competitors that collectively set prices to arrive at “healthy,” uninterrupted, resource taking. Figure 6 summarizes the dampening effect of competition on resource taking. Yet, it is important to recall that the concept of perfect competition has not been introduced to counter ethical shortcomings of economics. It is merely an indirect and tacit admission of harmful features of the economic system. It has yet to have any substantial effect on the intensity of resource taking in any society.



**Figure 6.** The effect of competition on the size of resource taking.

The ethical shortcomings of economics are well-entrenched in any time horizon and society. At first glance, the benefits are primarily directed to those who own or control accumulated resources. I will follow the more graphic designation of accumulated resources as “wealthpiles” [16]. Every wealthpile is an aggregation of resources and carries a corresponding measure of privilege. There is a distribution of wealthpile sizes from small to very large and a corresponding privilege distribution. The highly privileged own or control very large wealthpiles and as such get to decide how the society’s resources can be applied to production of goods and services. The primary aim of the production of goods and services is not to serve the human needs but to use the wealthpiles as agents of further resource taking. The maximization of wealthpile size is the prime target.

I have already noted that to create, maintain and grow the wealthpiles through resource taking, it requires a “network of force” to sustain the resource differentials that the resource taking creates. Those with wealthpiles need protection from those that have none. In market transactions, those that are resource-capable must be protected from resource-incapable. Nevertheless, it would

be premature to assert that the masses derive no benefit from the existing ethical framework of economics and that the resource taking through exchange of products and services is inherently detrimental to them. Consider the following argument that delineates the benefits of the force-based resource taking for the masses.

Over millennia of observations, the masses have learned valuable comparative lessons. They have developed an understanding of the social structure centered around resource taking. They are aware that the pain and misery they endure are often inflicted by the hands of the highly privileged. Through millennia they have learned that resistance, and even revolution, aimed at replacing one group of privileged with another, ultimately leaves the masses in a state similar to their previous condition. So, from the point of view of the masses, resource taking by the highly privileged is here to stay. Given that fact, the focus of the masses has been to make the resource taking small and predictable through an orderly exchange process. The small, predictable, and orderly resource taking is the benefit the masses derive from the force-based resource taking system. It is a form of minimization of harm. It does not involve

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direct application of brute force. As long as the highly privileged apply their wealthpiles efficiently to production of goods and services, causing the individual of the masses to lose only small sums to the privileged's wealthpiles, the arrangement is considered beneficial. This suggests that the masses are primarily concerned with optimizing the privilege-driven force-based resource taking system than advocating for its replacement.

This is why the so-called "competitive capitalism" has been so attractive to human societies [17]. In competitive capitalism, the societal force network is readily-extendable and highly accommodative of anyone's desires for voluntary exchange-based resource taking. It allows the individual to move from job to job, start any business, dream of any product or service, all intent on taking the resources of others. It is quite supportive of anyone that can excel in resource taking. Through competitive capitalism, anyone can join the ranks of the highly privileged. It is a system that requires intense concentration of brute force with force extensions that traverse every aspect of the society. The force extensions must be far reaching because the social structure allows resource taking to take place in every aspect of the society. The logic of such a system is simple. Maximization of acts of resource taking will take the wealthpiles of the highly privileged to higher levels. In other designs of the social structure, be it socialism, communism, monarchy, or dictatorship, the societal force network is not as accommodating of the individual's acts of resource taking and instead is more supportive of the already-established wealthpiles and proven privileged.

While the competitive capitalism may seem to offer increased opportunities for individuals of the masses to create privilege and wealthpiles, it also subjects them to greater concentrations of brute force and accelerates the depletion of societal resources. Thus, we return to the ethical question of what size of force concentration is adequate for the society's exchange processes, and what level of privilege and private wealthpiles is fitting for humans in relation to each other

### **10. A Glimpse of the Essence of Resource Taking**

Consider the following hypothetical situation. Assume that except for the man currently owning the biggest wealthpile on earth, all other humans disappear from face of the earth. In effect, the wealthiest man on earth now becomes the sole owner of the entire earth. What can this individual do with his newfound wealth? In a world devoid of humans, the electric power plants would cease to operate. Can he create electricity for his home in such a circumstance? The billions of dollars he has in the bank become useless. He can entice no one with payment of wages to get services he needs. He no longer has a driver to take him places. The gas in the tank is all he has as no gas station is operational without electricity to run the pumps. For a short while he can drive to the supermarket, but he can only choose from the canned goods. Without electricity, all perishable foods have spoiled. He has to learn how to warm up the canned food. He burns paper and wood to heat the single room that is now his home. Soon he yearns for a

piece of bread and cannot find any. As his car runs out of gasoline, he is stranded at his house, unable to go to anywhere. There is no plane to fly anywhere, no gas stations to allow him to drive anywhere. His body aches and he feels ill but there is no one to take care of him. Soon he is down to living and sleeping in a single room with opened and unopened cans of food strewn all around. The fact that he owns the world is immaterial. The ownership of the world has become inconsequential. The vast wealthpiles are reduced to the confines of the room where he sleeps and the cans of food essential for his survival. Deprived of the capacity to make decisions regarding the profitable production of goods and services, or the hiring and firing of individuals in his businesses, all he can do is to succumb to illness and hunger. In this state, ill and short of food and medicine, he faces the same fate as the poorest individuals, despite being the owner of the entire Earth.

The hypothetical situation underscores the inherent human dependence on other humans for life and survival. It pinpoints human capabilities as crucial element of the wealthpiles the privileged so strenuously try to amass and own. Without other humans, the wealthpile loses all of its meaning and significance. This sets the essence of resource taking at the collective wellbeing of humans. The wealthpile, in this context, is an artifact used to control the flow energies and resources among humans. Consequently, resource taking is intrinsically linked to the collective phenomenon of capability sharing.

In our hypothetical situation, it becomes evident that the wealthpiles amassed by the highly privileged humans lack any inherent consumption value for the owner. The king in the castle cannot sleep on more than one bed, in more than one room, and cannot eat more than three meals a day. The personal advantage of possessing a wealthpile or directing and applying concentrated brute force is the "control exercised on others." It serves as a tool to control and govern the lives of many. Within the current design of the force-based resource taking system, this control is personalized. The one in control seeks to mold the behavior of all others according to his or her vision of what is proper for human life. Where is the origin of the belief that controlling the resources of others, and directing their paths, is valuable to humanity? Regardless of its origin, the force-based resource taking emerges as the mechanism through which human behavior is shaped and controlled.

What is the fundamental ethical question raised by our hypothetical scenario? If the privileged can personally consume only marginally more than the average human, and if the wealthpile is merely a manifestation of interactions and interdependencies among countless humans, is it more ethical to rule or to serve the masses? The crux of this distinction lies in the degree of exposure to societal violence. If the privileged rule, they need and require the most potent forms of concentrated brute force. Conversely, if they serve, they will have minimal need for concentrated brute force.

From this perspective let us analyze some prevalent symptoms of the force-based resource taking system, beginning with the phenomenon of unemployment. Viewed through the lens of human

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as resource taker, the inability to take the resources of earth and others is equivalent to not providing sustenance for family and self. Terminating employees not only ends their employment but also deprives them of their salary, which is their primary means of resource taking. In this context, the workplace is taking the resources that employees depend on. In almost all societies the societal force network is set up to support such resource taking.

In contemporary times, unemployment is attributed to the level of economic activity. Humans are socially conditioned to accept the rationale that if an organization cannot take resources of consumers, it can resort to taking resources from its employees. According to this logic, if the company can sell 100 units to consumers and needs one employee for each unit sold, it is deemed ethical and logical to terminate the employment of 30 individuals if the company can only sell 70 units. If the company cannot sell anything, the societal design permits it to lay off all its employees.

Rather than being solely concerned with unemployment, it is crucial to acknowledge that in the force-based resource taking system, every employee function as a resource taker. Their salaries represent the resources they take from others. True, their resource taking is not direct, and it occurs through an intermediary, namely the organization. Whether taking resources directly through market price or indirectly through salary, all humans and organizations are resource takers in a resource taking society, and circumstances can disrupt the resource taking channels and opportunities. At present, most societies deem unemployment as an individual's responsibility to seek alternative resource taking opportunities in different organizations. From this perspective, unemployment or corporate bankruptcy is nothing but a depleted or dysfunctional domain with little or no resource taking potential. It is understood that every resource taker must transition out of that domain and explore other arenas where opportunities for resource taking abound. In the current resource taking mindset, the opportunities range from gaining nothing to owning and controlling huge wealthpiles, and almost every society has chosen to make the individual responsible and accountable for personal success or failure in the force-based resource taking system.

But a world of resource takers needs some shock absorbers for the unemployed in order to maintain a stable resource taking environment. In a parallel case, government creates and maintains force extensions that prevent excessive resource taking in the marketplace. So long as the resource taking proceeds incrementally through exchange processes, the likelihood of operational spikes is minimized. Economists assert that unemployment serves a similar function, acting as a stabilizing force in economic framework. Specifically, the reservoir of unemployed humans functions as a buffer that does not allow excessive resource taking by wage earners. As long as a reasonably large pool of unemployed workers exists, new workers can be hired at low rates and existing employees receive only small raises. Within the framework of the force-based resource-taking system, the existence of millions of unemployed individuals, deprived of complete access to the society's pool of goods and services, is deemed "natural."

In a force-based resource-taking system, in theory, privilege is not bounded, extending limitlessly in both upward and downward directions. A human can find oneself in extremes in either direction. In today's societies, the dynamics of job seeking, job finding, employment and unemployment are operational aspects of the resource taking process. Within the framework of the force-based resource taking social structure, nothing is guaranteed, and outcomes are contingent on human capability as a resource-taker. One may ascend to become the next billionaire, or face the stark reality of homelessness. The ethics of the force-based resource taking includes a person remaining unemployed for years and another receiving tens of millions of dollars as a corporate CEO.

In a world where the force-based resource-taking is intrinsic to human existence, the ethical framework is shaped such that the society accepts CEOs receiving tens of millions of dollars annually and intentionally maintaining millions of unemployed individuals to establish a perceived "natural" level of unemployment that stabilizes the resource taking process. Similarly, ethical considerations extend to using military force to gain control of the Middle Eastern oil fields, and exploiting the resources of other nations. The only reason that some governments and institutions pay lip service to concepts like democracy, equality, and justice, it is because even though humans have no other alternative but the force-based resource taking, they are all reluctant to admit it because it would make them resemble a "society of thieves" where instead of putting knives to each other's throats, humans have learned new techniques to accomplish the same end through force extensions. The old-fashioned thieving requires a knife to take someone's wallet. It may result in \$100 taken, but it makes the taker vulnerable to societal knives, namely the society's concentrated brute force in the form of police. The market's voluntary exchanges offer an alternative. One can operate a business, selling for \$5 a product that costs \$4, with each transaction taking \$1 out of someone's pocket. All participants are satisfied with the arrangement, voluntarily repeating each week without realizing that at the end of two years, the outcome mirrors that of someone directly taking \$100 from the consumer. The resource taking outcome is the same and the societal knife, representing concentrated brute force, remains dormant, lurking in the background, backing the force extensions that govern the exchanges.

The voluntary exchange-based resource taking also carries an inherent sense of fairness in that everyone is allowed to do it to anyone. Anyone can accumulate the results of resource-taking into personal wealthpiles. All it requires is an exchange of products and services within the market set up and maintained by the societal force network. Once more, the fundamental question of ethics is not one of who takes whose resources, and how big are the wealthpile differentials, but whether, as a pervasive aspect of human existence, the force-based resource taking system can be deemed ethical.

The knowledge of the force-based resource taking system renders certain concerns seemingly irrelevant. For example, consider the



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apprehension surrounding the potential impact of global warming on humanity. Calls for drastic reductions in greenhouse emissions to avert a catastrophic scenario lose their urgency when viewed through the lens of a force-based resource-taking social structure. Such a society is designed on a hierarchical system of privilege. In the event of a catastrophe, survival is tied to one's privilege ranking, determined by the extent of one's wealthpiles and the degree of association with controlling and directing the societal concentrated brute force. From this perspective, the highly privileged do not anticipate harm from global warming. Only the no-privilege to low-privilege humans will be harmed and historically, that has never been a concern of the privileged. The best evidence for lack of concern about the no-to-low-privilege humans is the arsenal of tens of thousands of nuclear weapons. The highly privileged expect to find refuge in shelters when the nuclear bombs fall; to emerge later and repopulate the earth. It is the no-to-low-privilege humans that get vaporized or starve to death.

Likewise, the prospect of running out of oil becomes a non-issue within the context of a force-based resource-taking system. When serious resource scarcities appear on the horizon, the United States and its nuclear allies could effortlessly resort to vaporizing billions of no-to-low-privilege humans in low-privilege countries to bring into balance the available supplies with the needs of the privileged. All such behaviors are "ethical" so long as the force-based resource taking system is deemed ethical.

### **11. A Different View of Economic Growth**

The knowledge of force-based resource taking alters the perspective on "economic growth." Operationally, economic growth is defined as increased production of goods and services. Yet, it seems to occur without any perceived limits [18]. This raises a critical question: why does it perpetuate seemingly without discernible limits or changes in privilege structure? The economic growth often justifies itself with the promise of improving everyone's standard of living, citing advancements in science, technology, and markets that contribute to curing diseases, increased food production, and a myriad of other products and services [19]. However, these claims of achievement fail to validate the absence or lack of recognition of structural limits to growth. Furthermore, there is a notable absence of evidence that growth inherently aims to provide a foundational baseline for human needs, such as universal access to healthcare or a minimum standard of access to the societal pool of goods and services.

In every facet of economic growth, there are numerous deficiencies. Currently, a staggering one billion humans endure living conditions that are, at best, inhumane. Beyond the poor-rich gap, a substantial portion of growth revolves around "replacement" of products and services that constantly fail to serve human needs or involve "repair of past blunders" that manifest as societal wastes and cancerous afflictions [20]. This perspective prompts the following pertinent ethical question: If the goods and services generated by the economic system are inherently defective, short-lived, and

wasteful, then what justifies the rush to limitless growth?

The paradox is resolved when we recognize that the primary objective of economic growth is neither to provide the needed products and services to the masses, nor to engage in sustainable production of goods and services. Instead, its purpose lies in maximization of wealthpile size and brute force concentration. This clarifies why the economic system is so intent on growing the gross domestic product (GDP) even though it falls short as a measure of human wellbeing. For a society intent on building the largest personal wealthpile, the GDP size becomes the determinant of the resource-taking opportunities. The more shot-lived the products and services, and the greater the numbers consumed, the higher the level of resource taking. If we were dealing with kings and rulers, it would be easier to recognize the essence of the current economic system as pursuit of maximization of resource taking from the shared capabilities of the masses. From the times of kings and rulers, the force-based resource taking system has only changed in its emphasis on resource taking through exchange processes, ensnaring humanity in a treacherous cycle that promises resource taking opportunities to all and declares the best of life for those who own a large, personal wealthpile.

We recognize that the promise of a better life for wealthpile owners is not an empty promise. The owners and controllers of wealthpiles and centers of concentrated brute force get to set the direction of the society's activities in ways that serves them best. A case in point is the foundational role of "knowledge" in the operations and activities of human society. Every product or service owes its existence to knowledge available when creating it. Take away the knowledge, and every product or service disappears and leaves behind nothing but a heap of earth materials. Advocates of economic growth often assert that deeper knowledge will come to the rescue and ultimately resolve all issues. From the standpoint of force-based resource taking, it becomes apparent that this promise is not aligned with the wellbeing of the masses but is, in fact, intricately tied to the interests of the privileged.

For millennia the privileged have directed the flow of knowledge to improve resource taking and application of concentrated brute force. The knowledge flow has been persistently directed at creation of greater wealthpiles. If the privileged have done so for millennia, why would they believe that the future would be any different? This pattern has persisted even when societies collapse under the social and environmental burdens of the force-based resource taking system. The experience of previous societal collapses has never changed the mind and beliefs of the privileged. From the ruins of every collapsed society the privileged have risen again to rule one more time over energies and resources of the masses. Throughout human history, there has not been a single exception to this pattern. It has remained unbroken and remarkably consistent. Even if the warnings of an impending environmental collapse due to greenhouse gases or the depletion of energy sources proves accurate, from the ashes, the privileged appear poised for

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resurrection, to concentrate brute force and to extract personal wealthpiles from the shared capabilities of surviving humans. In effect, the privileged seem destined to continue even when many of the masses would cease to exist due to decisions made by the privileged.

In every society, the privileged, with their wealthpiles and force centers, inherently have a significantly higher likelihood of survival compared to the masses. This advantage stems from deliberate societal design that positions them to direct the flow of knowledge and the application of resources according to their perceived needs and advantage. Most of the worries expressed by environmental activists have predominantly been about the wellbeing of the masses, a concern conspicuously absent among the privileged. Historically, the privileged have not worried about the welfare of the masses. Their focus remains on resource taking and wealthpile building. A few hundred years ago, the dynamics of the privileged-masses relationship were overtly evident in the treatment of subjects by kings and rulers, where the prime concern was the well-being of the king and the ruler with everything else considered expendable. Today, this relationship persists, but masked because of the vastly expanded knowledgebase that has transformed the singular kings and rulers into a more diffused structure of “distributed privilege.”

The framework of force-based resource taking allows a better understanding of the observed symptoms. The presence of over one billion humans in inhumane conditions can be traced to a natural outcome of resource taking. Those unable to excel in resource taking will inevitably remain trapped in poverty. The prioritization of GDP growth over basic human wellbeing can be attributed to the relentless pursuit of wealthpile building necessitating high-volume consumption. The market, despite its promise of prosperity for the masses, has consistently fallen short because its primary commitment lies in creation of personal wealthpiles, and that simply ensures prosperity for the privileged few. That “globalization” exacerbates the situation becomes apparent when viewed through the lens of the new and diverse resource taking opportunities made available to the privileged. Globalization, in this context, would channel the resources and shared capabilities of many toward the wealthpiles of the privileged. This is achieved by, for example, converting good-paying jobs into part-time positions with poverty-level wages and by relocating the production of goods and services worldwide, maximizing resource taking.

The phenomenon commonly referred to as global competition can be seen as continual pursuit of new opportunities to maximize resource taking. All of the symptoms mentioned above would be considered “normal” and “ethical” if force-based resource taking is the accepted norm in today’s social structure. It is not surprising, then, that the ethical concerns surrounding globalization primarily emerge from adverse impacts on resource taking practices like not respecting software copyrights, hackers making computers dysfunctional, customers more easily changing suppliers, and moral implications of real and perceived inequalities [21].

The prevailing reality suggests that within the force-based resource taking framework, no individual operational component can sustain limitless growth as anticipated for the sake of “profits.” Every component lacks the capacity to perpetually expand without ultimately collapsing. But the realities of the component-based view do not get translated into a system-based view wherein the wealthpiles cannot grow in size indefinitely without facing collapse. Disturbingly, some systems collapse suddenly when all indicators suggest a robust state. The inherent uncertainties within a complex system can lead to abrupt and sudden collapse [22]. In other words, any growing system requires a safety cushion if not an explicit upper limit. However, such a concept is absent when it comes to maximization of resource taking. Why? The rationale is simple and straightforward. The moment the resource taking levels off, and incremental privilege no longer achievable through resource taking, the “privilege” transforms into a resource that has to be incrementally shared. This marks the end of privilege, and the start of the transformation into a no-privilege-world where everything is shared.

Throughout history, the transition to a society where all resources are shared has proven to be an elusive ideal. As a society approaches this critical juncture, it tends to follow a self-destructive pattern characterized by an accelerated pursuit of greater wealthpiles, even when human energies and resources are no longer sufficient to achieve that goal. From this perspective, the global push toward turning every human into a consumer is a rush toward societal collapse. Is that trajectory ethical? The answer is yes, provided humans consciously and persistently choose to exist in a social structure based on the force-based resource taking system. The prevailing societal structure dictates continuous growth without any consideration that such expansion may not be attainable. Emerging from the ruins of collapses, the privileged pursue their vested interest of reviving the force-based resource taking system. The key lesson: regardless of the number of societal collapses in current and historical records, human societies persistently gravitate toward reliving the dynamics of the force-based resource taking system.

## **12. Alternatives to Force-Based Resource Taking**

In a society marked by limited resources and individually unique humans, the allocation of societal resources hinges on the choice between two fundamental approaches: “resource sharing” and “resource taking.” Throughout history, both options have been recognized and presented to human societies. For example, John Locke is a notable proponent of force-based privilege and wealthpiles. He tells us that the primary function of the state is to protect individuals and their possessions [23]. This popular historical view rationalizes the positions of privilege built on resource taking from the masses. On the opposing side, Aquinas advocates resource sharing, asserting that humans should own everything in common. This view, contrary to force-based privilege, has rarely been practiced historically [24].

The most prominent advocate of a resource sharing society is

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Jesus. He envisions a society devoid of coercive force, asserting that concentrated brute force is intrinsically self-destructive.

Matthew 26:52 – Put up again thy sword into his place: for all they that take the sword shall perish with the sword. (King James)

Why does no one listen to Jesus? The answer is simple. The force-based resource taking has been around for too long. It has become deeply ingrained in human way of life. Despite God-turned-human advocating for a different way of life, the force-based resource-taking system, entrenched over millennia, remains impervious to transformation.

Martin Luther's life serves as a good illustration of societal pressures to conform to the ways of force-based resource taking. Initially Luther endorsed the force-based resource taking system. He attributed symptoms like "poverty" to other-worldly, spiritual factors. He viewed the coexistence of the poor and the privileged as inherent and natural aspects of the world.

Although possibly rich and powerful, such persons do not become the poor's enemies by oppressing them economically or by expropriating their possessions. ... [T]he terms "poor" and "rich" ... designate opposing aspirations. The rich aspire to accumulate worldly possessions—their minds are carnal. The poor aspire to eternal realities—their minds are spiritual [25].

Luther devised justifications to normalize force-based resource taking.

Humanity must be divided into two groups: those who seek material riches, interested only in worldly and temporal concerns; and those who look to God and eternal realities, interested only in the spirit and in God [26].

In this dualistic model, Luther masked the cause-and-effect relationship, namely that "riches" are extracted from the masses, and that the continual focus on serving the needs of the rich keeps the masses poor. Nonetheless, within this framework, Luther highlights an obvious operational fact, namely, humans can be divided into two groups, one excelling in resource taking, and the other, not good at resource taking, and consequently bearing the brunt of resource deficiencies.

Later, for a short period, Luther switched to advocate resource sharing. But promoting resource sharing in a society that for millennia has practiced resource taking proved to be futile. Luther acknowledged the pragmatic reality that "he will receive much by allying himself with the rich and powerful, but nothing for his solidarity with the poor and weak" [27]. Consequently, he switched to a new model supporting the force-based resource taking system. In this new model, Luther justified the pain and suffering of the poor as "Christians under the cross. ... Christians in the dimension of their suffering [28].

The revealed God has hidden himself under suffering and the cross [29].

This concise model rejects the Jesus message of resource sharing. It refuses to acknowledge the idea that the divine, concealed within the life of a human, embodies the essence of human behavior as nonviolent and committed to resource sharing. Once again, the social structure adopts the two-kingdom format: those that carry the sword and amass wealthpiles in pursuit of their civic duties, and the poor who watch their resources taken and must not "recur to violence or revenge; they leave vengeance to God" [30]. From this model's point of view, the Peasant War "was a strictly worldly affair between those ordained to maintain order and those who rebelled against constituted authority. ... The peasants might have to be destroyed ... as if they were mad dogs" [31]. This worldview, steeped in the two-kingdom format, has persisted throughout millennia in human societies.

In short, humans societies find themselves grappling with unchecked applications of concentrated brute force, and struggling unsuccessfully to align the deployment of such force with basic human needs in daily life. Unwittingly, humans have allowed the unbridled growth of these centers of concentrated brute force in pursuit of a societal force network that would maximize the formation and growth of wealthpiles and privilege. Looking at the situation purely from a resource expenditure perspective, it appears human societies may have already spent too much of their resources, making a return to a resource-sharing structure a daunting challenge. More concerning is the possibility that force-based resource taking is ingrained in human nature, suggesting that even with awareness and willingness to change, the implementation of change could be a formidable task, and may even be impossible.

Price is a human artifact that establishes a shared language for allocating resources to production of goods and services, as well as facilitating their exchange. That common language enables the discovery of ways to produce more with fewer inputs. However, being a human-made artifact, it is susceptible to misuse, ways that would harm humans. It can be used as a mechanism for excessively taking the resources of others. It can function as tool that absolves humans from their responsibility for wellbeing of other humans. In some instances, it becomes a surrogate for human accountability, diverting attention away from the inherent interconnectedness of individual lives in a societal capability sharing system, and instead promoting the idea that addressing the needs of others can be reduced to impersonal transactions governed solely by "price."

### 13. Preliminary Conclusions

The force-based foundation of economic system, rooted in resource taking through exchange processes, can be understood in two ways. Firstly, it operates as a systemic form of applied violence. One can say that it is civilized in the sense that it does not place a knife to the individual's throat to take his resources. But nonetheless, it does inflict harm on the masses by taking and directing their resources to a small and select group of highly

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privileged humans that oversee and direct the society's production of goods and services. Secondly, the force-based resource taking system represents the only way known to humans for managing their societies. The masses, in this framework, accept and tolerate privilege-controlled resource taking as a trade-off for having the privileged managing the society's affairs, particularly its production of goods and services. This dynamic can be characterized as "manager-managed duality" wherein a small group of managers, oversees and manages the shared capabilities of the masses, in theory, to the benefit of all in the form of providing the goods and services needed for daily life [32]. Both perspectives, however, are vulnerable to destructive application of concentrated brute force. The inherent risk in any force-based social structure lies in its exposure to concentrated brute force, exemplified by arsenals of tens of thousands of nuclear bombs.

In summary, the ethical shortcomings of economics are magnified by the inherent force-based design of society. Throughout history and persisting today, the pervasive process in economic activities is the force-based resource taking system. If scrutinized from the point of meeting humanity's essential needs, this system proves detrimental, harming humanity with fewer products, higher prices, and biased allocation of resources that primarily serve the resource-capable humans. This privilege-skewed allocation makes luxury automobiles when the society lacks sufficient food or shelter, creating a societal paradox on human wellbeing. However, challenging and questioning the ethical dimensions of economics demand confronting the violence of concentrated brute force that has permeated human societies for countless millennia.

In this study I have identified specific elements pertaining to the ethical design of economics. These include:

1. Those who are resource-capable, have the capacity to participate in the production and consumption of goods and services to satisfy their needs. The production and exchange of goods and services is stratified according to each individual's resource capabilities. The more resource-capable a person, the more extensive their access to the society's pool of products and services, and the more they can leverage and apply their personal wealthpiles to the production of goods and services. In this setting, the pursuit of resource capability, and the utilization of personal wealthpiles for individual advantage are deemed ethical. Historically, the creation of such positions of privilege through application of concentrated brute force and at the expense of the masses has rarely been a matter of ethical concern.

2. The flow of societal knowledge is determined by ownership and control of personal wealthpiles. Within this framework, the societal knowledge is not made universally accessible, leading to production of goods and services at a higher price and lower quantity. This constrained approach to using societal knowledge is deemed ethical.

3. Maximization of resource taking is deemed ethical and good for the society even though it clearly results in fewer goods and

services becoming available at higher prices. As a strategy of resource allocation, this approach is oblivious to possibilities of depleting the societal resources.

Economics often falls short in understanding the force-based resource taking social structure, leading to conflicting and contradictory positions among economists. For instance, some argue that the production and distribution of goods and services should be driven through "market forces" than government action. However, this perspective overlooks that the societal force network, set up and controlled by government, shapes the market and ultimately decides how the production and exchange of goods and services unfold. The manifestations of concentrated brute force in the marketplace come through "force extensions," embodied as laws and regulations. The design of the societal force network can vary in terms of the number and breadth of these force extensions and the involvement of market players, presenting a wide spectrum from a fully government-regulated market to one seemingly absent of government influence. Despite this range, government remains the foundational element of the force-based resource taking system. The inseparability of market and government becomes apparent in other observations as well. While acknowledging that the "great threat to freedom is concentration of power," and that "[g]overnment is necessary to preserve our freedom," economics often fails to recognize that what is meant by freedom is the "freedom of taking the resources of others." This particular freedom is strictly defined within the societal force network, set up and maintained through "concentration of power," especially in the form of wealthpiles. A more profound understanding of force-based resource-taking emerges when the role of government is framed as "to protect our freedom both from the enemies outside our gates and from our fellow-citizens" [33].

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