CHAPTER V

CONCLUSION

In this concluding chapter, an attempt is made to integrate the deduced perspectives of Advaita Vedānta with that of conventional economics. Moreover, efforts are made to discern the implications and explore the extents of such an integration, which is based on the substratum drawn from the conclusions of the previous chapters of the thesis.

Let us recall that in Chapter II of the thesis, we have presented the conventional approach to economics as well as its understanding of the concept of economic man and its perceived constraints. In Chapter III of the thesis, we have deduced the nature of man as perceived in Advaita Vedānta and in its background, an economic problem have been analysed. In Chapter IV of the thesis, we have approached the philosophy of Advaita Vedānta in the context of the concept of economic man and have deduced perspectives of Advaita Vedānta which are compatible with the various dimensions of the concept of economic man.

Thus, we are able to see that while Chapter II of the thesis describes the perspectives of conventional economics with reference to the concept of economic man, Chapter III and IV of the thesis brings out the deduced perspectives of Advaita Vedānta which are compatible to conventional economics and its concepts of economic man.

This Chapter is divided into two main sections. In the first section, we effect a synthesis of the deduced perspectives of Advaita Vedānta with that of conventional economics and expound the immediate implications of the synthesis. In the second section, we explore the extensions made to the conventional concept of economic man and its future prospects in the light of the above synthesis.
A. A Synthesis and its Implications

The term 'Synthesis' refers to "putting together of parts or elements to make up a complex whole" 1. Here, the synthesis involves putting together the elements of conventional economics and Advaita Vedānta to evolve a complete whole. The synthesis is effected by incorporating the deduced perspectives of Advaita Vedānta into the concept of economic man. This endeavour is made in such a manner that it overcomes the constraints involved in the concept of economic man and at the same time, maintains the basic structure of conventional economics.

The Four-fold area of interaction

The synthesis may be successfully effected through a four-fold stage which identifies the common area of interaction between conventional economics and Advaita Vedānta. The four-fold common area of interaction are: 1. On the perception of ethics, 2. On the perception of rationality, 3. On the perception of man, and 4. On the perception regarding the approach to conventional economics. In line with our objective, the nature of these areas of interaction are such that while enabling us to overcome the limitations of conventional economics, they simultaneously help in maintaining the basic structure of conventional economics.

Let us now proceed discuss each of these synthesis and its immediate implications to conventional economics and its concept of economic man.

1. A Synthesis on the Perception of Ethics

A discussion on the ethical philosophy of conventional economics (as elucidated in Chapter II, Section B. 2.a. of the thesis) enable us to understand that its ethical standard is
given by the principle of "Maximization of Satisfaction". Since the achievement of this ethical standard is entirely dependent of the maximum accrued result of an action, moral judgements of any action are effected based only on its maximum consequences, in the ethical system of conventional economics. For example, if a student is to excel in his studies, then conventional economics would suggest that the right course of action for the student would be to direct all his energies towards the objective of securing maximum marks in the examination. Here, the rightness involving the excelling in studies is coloured by the maximizing consequences of an action.

Incorporating the perspectives of Advaita Vedānta into conventional economics with reference to the perception of ethics, we may evolve a synthesis, wherein, the ethical standard of conventional economics may be given by a principle which consists of both the intention and the consequences involved in an action. In this synthesis, while the intention behind an action may represent the primary factor for consideration, the consequences of an action may be considered as the secondary criterion for effecting moral judgements. For example, if a student is to excel in his studies, the synthesized ethical structure would suggest that the right course of action for the student would be to direct all his energies primarily to understand the subject and secondly, to secure high marks in the examination. Here, the rightness involving the excelling in studies is coloured by both the intention and the consequences involved in an action.

Let us now proceed to discuss the implications of the above synthesis in the ethical realm of conventional economics.

a. Implications of the Synthesis

(1) According to the ethical position of conventional economics, moral judgements of any action are effected based only on its Maximizing consequences. This consequentialist
position (as discussed in Chapter II. Section B.2.d. of the thesis) does not guarantee the accommodation of moral and social commitments of individuals, within the ethical structure of conventional economics.

The synthesized ethical structure, by incorporating the intention of an action while effecting value judgements, ensures the accommodation of altruistic, moral and social commitments of an action, within its paradigm. This position implies that the synthesized ethical structure recognizes the vital role played by the 'means' (which recognizes ethical values) through which the desired 'end' is achieved.

Further, since the altruistic, moral and social values are accommodated within the ethical standard of the synthesized paradigm, it follows that an ethically good action would be such that it simultaneously guarantee the interest of individual and the society.

(2) The ethical position of conventional economics (as discussed in Chapter II. Section B.2.c. of thesis) recognizes pleasure or self-interest alone as the only motive force behind all human actions.

The synthesized ethical structure, by giving primary importance to the intention and secondary importance to the consequences, ensures that due precedence is accorded to the altruistic and ethical commitments over self-interested motives in effecting value judgments of an action. This position implies that the synthesized ethical structure recognized the vital role played by ethical commitments in all human actions.

Further, since the altruistic and social values are not only accepted but are also actively encouraged in the synthesized ethical structure, it follows that the scope of an action for simultaneously promoting the well-being of the individual and the society, is greatly enhanced.

Thus, the synthesized ethical structure in economics, by overcoming the limitations faced by the ethical system of conventional economics, enable conventional economics to
accommodate and legitimize the altruistic, moral and social commitments of man, within int's paradigm.

Let us now proceed to incorporate the synthesized ethical structure into the general system of conventional economics. In other words, let us to observe how the synthesized ethical structure interacts with the other concepts of the system of conventional economics. This endeavour would immensely benefit conventional economics as Hausman and Mcpherson rightly states, "An economics that is engaged actively and self-critically with the moral aspects of its subject matter cannot help but be more interesting, more illuminating, and ultimately more useful that one that tries not to be".²

But, an endeavour to incorporate the synthesized ethical structure encounter an important obstacle in the form of economic rationality. In the system of conventional economics, the concept of rationality, which defines human behaviour, is perceived in a manner that is in opposition to morality. This necessitates a renewed discussion on economic rationality and its realtionship with morality.

Since a synthesis involving the perspectives of Advaita Vedānta and conventional economics on the perception of rationality would, among other things, address the above predicament, let us now proceed to discuss the same. This takes us to second area of interaction between economics and Advaita Vedānta.

2. A Synthesis on the Perception of Rationality

A discussion on economic rationality (as elucidated in Chapter II, Section B.1. of the thesis) enable us to understand that rationality is perceived as identical to the maximization principle, an ideal which is to be achieved in every action of an economic man. In other words, economic rationality refers to the maximization behaviour of an economic man (i.e.) a behaviour wherein man allocates his resources in such a manner that would fetch him
maximum benefit. In the words of Gary Becker, "Everyone more or less agrees that rational behaviour simply implies consistent maximization of well-ordered function, such as utility or profit function".  

A discussion on Advaita Vedāntic rationality (as deduced in Chapter IV. Section A. of the thesis) enable us to understand that rationality is considered as an instrument and not an ideal to be achieved. Moreover, rationality is neither identical nor leads to the maximization principle.

Incorporating the perspectives of Advaita Vedānta into conventional economics with references to the perception of rationality, we may evolve a synthesis, where, economic rationality may be perceived as an instrument employed to achieve various objectives including economic maximization.

Let us now proceed of discuss the implications of the above synthesis is in the system of conventional economics.

a. Implications of the Synthesis

(1) According to conventional economics, rationality is perceived as identical to the maximization principle. Modern economists have voiced serious concern on this perception and have pointed out the undesirability in linking rationality with economic maximization (as elucidated in Chapter II. Section B.I.b. of the thesis). By providing numerous evidences to show that there are non-selfish motives (i.e., non - Maximization motives) behind the economic decision - making procedure of an individual which cannot be reduced to mere self-regarding motives (i.e., maximization motives), modern economists emphasize the fact that the term 'economic rationality' have to be redefined to include the non-maximization pursuits of an economic man, within the domain of conventional economics.
The synthesized rationality, by virtue of being perceived as an instrument employed to achieve various objectives, ensures the accommodation of non-maximization motives of an economic man, within its paradigm. This position implies that the synthesized rationality recognizes the vital role played by altruistic, moral and social commitments of individuals. Thus, the synthesized rationality overcome the undesirability-limitation faced by the concept of rationality of conventional economics. In the process, it also ensures that there is no conflict or trade-off between rationality and morality in the system of conventional economics.

(2) Modern economists have also emphasized on the non-feasibility of linking rationality with economic maximization (as discussed in Chapter II. Section B.1.a. of the thesis). By providing numerous evidences to show that firms and individuals strongly proclaim that the objective of maximization is no longer feasible in the dynamic and uncertain modern world, these economists emphasize the fact that the term 'economic rationality' have to be re-defined to include the less-than-maximization pursuits of an economic man, within the domain of conventional economics.

The synthesized rationality, by virtue of being perceived as an instrument employed to achieve various objectives, ensures the accommodation of less-than-maximization pursuits of an economic man, within its paradigm. This position implies that the synthesized rationality recognizes the behaviour of firms, which strives for less-than-maximum profits and individuals, who strive for less-than-maximum satisfaction. Thus, the synthesized rationality overcome the non-feasibility - limitation faced by the concept of rationality of conventional economics.

Thus, the synthesized rationality in economics, by overcoming the non-feasibility and undesirability limitations, enable conventional economics to accommodate and legitimize the less-than-maximization objectives and the non-maximization pursuits of a modern economic man, within its paradigm.

Let us now proceed to incorporate the synthesized rationality into the general system
of conventional economics. In other words, let us observe how the synthesized rationality interacts with other concepts of the system of conventional economics. But, an endeavour to incorporate the synthesized rationality encounters an important difficulty in the form of the concept of economic man. In the system of conventional economics, economic man, *homo economicus*, is perceived as identical to rationality. In the words of Daniel Hausman and Micheal Mcpherson, "The *homo economicus* of contemporary economics is *homo rationalis*. ¹

In the system of conventional economics, economic rationality is considered as an ideal to be achieved. Whereas the synthesized rationality is perceived only as an instrument. It is well known that man is always an end-in-himself and cannot be considered as a means or an instrument towards any other end or ideal. This position logically means that unlike conventional economics, man (an end--in-himself) is not identical to the synthesized rational (an instrument). It implies that economic man is not merely a rational individual. Economic man is a 'being' who is more than just a rational person. This necessitates a renewed discussion of the concept of economic man.

Since, a synthesis involving the perspectives of Advaita Vedānta and conventional economics on the perception of man would, among other things, provide adequate light on the above issue, let us now proceed to discuss the same. This takes us to the third area of interaction between economics and Advaita Vedānta.

3. A Synthesis on the Perception of Man

A discussion on the concept of economic man ('as elucidated in Chapter II. Section B. of the thesis) enable us to understand that economic man (*homo economicus*) is rational.

In the system of conventional economics, the concept of rationality indicates the self-interested behaviour of an economic man. Adam Smith, the father of conventional
economics, proclaims "We are not ready to suspect any person of being defective is Selfishness". According to Dennis Mueller, the goal of rational act is to maximize the actor's self-interest. Robert Frank explicitly defines rationality as self-interest. In the words of Avner Ben-Ner and Louis Putterman, "Self-regarding preferences are the essence of homo economicus". Thus, we are able to observe that economic man is rational and rationality refers to self-interest. Therefore, economic man is characterized only by self-interested motives.

A discussion on the nature of man in the philosophy of Advaita Vedānta (as deduced in Chapter III. Section B. of the thesis) enable us to understand that man is essentially spiritual or divine, the higher Self (ātman). But, due to the ignorance (māyā-avidyā) of his true nature, man (jīva) identifies himself with the lower self (anātman) and subsequently reveals a two-type nature, namely, the ethical nature and the animal nature. In the system Advaita Vedānta, man in considered as man only if he adheres to ethics (Dharma) or else he is no better than an animal.

According to Advaita Vedānta, the spiritual man is characterized by selfless service or other-regarding motives alone. He exists only for the welfare of humanity (lokāsanāgraha). The ethical man is characterized by self-regarding as well as others-regarding motives. The animal man is characterized by selfish or self-regarding motives alone. Here, we may observe a remarkable similarity between the animal man as conceived in Advaita Vedānta and the economic man of conventional economics as both exhibit the same characteristic feature of selfishness alone.

Incorporating the perspectives of Advaita Vedānta into conventional economics with references to the perception of man, we may evolve a synthesis, wherein, economic man may be perceived as an ethical person possessing rationality.

Let us now proceed to discuss the implications of the above synthesis in the system of conventional economics.
a. Implications of the Synthesis

(1) According to conventional economics, man is perceived as identical to the principle of rationality. Economic rationality, reflecting self-interest, is considered as an ideal to be achieved by man.

In the structure of conventional economics, only the maximizing self-interested behaviour of man is recognized and encouraged, while other genuine human motives are either ignored or condemned as irrational. While discussing the limitations of economic models, Avner Ben-Ner and Louis Puttermann rightly points out "Being, by assumption, bereft of concern for friend and foe as well as for right and wrong, and caring only about his own well-being, homo economicus cannot, by construction, be at the centre of a meaningful theory of how and when behaviour is influenced by ethics, values, concern for others, and other preferences that depart from those of standard economic models".

The synthesized concept of economic man, wherein man is perceived as an ethical person possessing rationality, ensures the accommodation of all human motives, within its paradigm. This position implies that the synthesized concept of economic man recognizes the vital role played by the altruistic, moral, social and other motives involved in an individual's decision-making deliberations.

Further, the synthesized concept of economic man forges an appropriate relationship between man and rationality. On the one hand, while perceiving man as ethical, the synthesized concept of economic man ensures that man remains an end-in-himself. On the other hand, while perceiving rationality as a possession of man, it ensures that rationality is considered as an instrument of man.

(2) The synthesized concept of economic man, by perceiving man as an ethical being, underlines the important fact that man is not merely rational, but also a social being who actively interacts and caters to the welfare of others in the society. This position implies
that the synthesized concept of economic man recognizes the importance of the influence of social concern in an economic man's behaviour. Therefore, the synthesized concept of economic man, unlike *homo economicus*, is more realistic and adequately reflects the aspirations of a modern economic man.

The synthesized concept of economic man discusses human behaviour in economics. We have already seen that human behaviour is an important component of an economic problem. Therefore, let us now proceed to discuss an economic problem in the background of the synthesized concept of economic man as this effort would throw more light on the various aspects of an economic problem.

An endeavour in this direction may be fruitfully attempted through a synthesis involving the perspectives of Advaita Vedānta and conventional economics on the perception regarding the approach to conventional economics. This takes us to the fourth area of interaction between economics and Advaita Vedānta.

4. **A Synthesis on the Perception regarding the Approach to Conventional Economics**

A discussion on the conventional approach to economics (as elucidated in Chapter II. Section A. of the thesis) enable us to understand that an economic problem is the essence of economics. Conventional economics approach an economic problem by holding the cardinal assumption that human wants are ever unlimited.

A discussion of an economic problem revisited in the light of the Advaita Vedāntic concept of man (as deduced in Chapter III. Section C. of the thesis) enable us to understand that in the system of Advaita Vedānta, wants of all men are not unlimited. Wants of an ethical man are limited, while wants of an animal man are unlimited.

We have already observed the remarkable identity between the animal man and the
economic man as both share the same characteristic feature of self-regarding motives only. On the other hand, the ethical man is characterised by self-regarding as well as others-regarding motives. Since the characteristics of an ethical man is different from that of an animal or economic man, their wants are also different.

The system of Advaita Vedānta effects a distinction of human wants into human need and human greed. It is a known fact that man's need are limited while his greed are unlimited. According to Advaita Vedānta, any human want pursued in the background of dharma (ethics) reveals human need, while any human want pursued devoid of dharma reveals human greed. Since Advaita Vedānta consider a man who adheres to dharma as an ethical man, it logically follows that the wants of an ethical man, reflecting human needs, are limited. On the other hand, a man who ignores dharma is considered as an animal man. Therefore, the wants of an animal man or economic man, reflecting human greed, are unlimited.

Incorporating the perspectives of Advaita Vedānta into conventional economics with reference to the approach to conventional economics, we may evolve a synthesis, wherein, wants of all men are not considered as unlimited. Even though there are animal or economic men in the society for whom wants are unlimited, there are also ethical men for whom wants are limited. Moreover, as we have already seen that the synthesized concept of economic man emphasize the fact that man is basically and essentially an ethical person.

Let us now proceed to discuss the implications of the above synthesis in the system of conventional economics.

a. Implications of the Synthesis

(1) In the system of conventional economics, an economic problem is the essence or the subject - matter of economics. An economic problem consists of two sides, namely, human wants and available resources. Conventional economics approach an economic
problem by focussing its attention on the resources and its allocation in the economy, while assuming that human wants are ever unlimited. Discussing the nature of human wants, Edmund S. Phelps observes, "Recognizing that the wants for an economy's good never to be filled, economics supposes that these wants are unlimited".10

The synthesized approach to conventional economics, by recognizing the fact that society consists of both ethical and animal or economic man, states that wants of all men are not unlimited. This position implies that the synthesized approach effects a division of human wants into human need and human greed. This division would enjoin man to question all his wants. This, in turn, would raise three central and ethical questions on the consumption pattern of every individual.

The three central questions which would arise with regard to consumption are (i) What to consume? (ii) How to consume? and (iii) From whom to consume? The problem 'what to consume' would include issues regarding whether the product to be consumed is a necessity, comfort or a luxury and in what quantity should it be consumed. The problem, 'How to consume' would include issues relating to the 'means' or the sources of individual's income from which the product is to be purchased. The problem 'From whom to consume' would include issues regarding the source from which the product is to purchased (ie) whether to purchase to product from a local factory, a labour-intensive unit, a multi-national company, a company employing child-labour, a company polluting the environment, etc. Thus, we are able to observe that the synthesized approach to conventional economics brings out vital ethical issues involved in an economic problem.

(2) We have already seen that conventional economics approach an economic problem by giving importance only to the resources and its allocation in the economy, while ignoring human wants by assuming it to be unlimited.

The synthesized approach to conventional economics, by recognizing the differences in the wants of individuals, ensures that equal importance is given to man as well as the resources in the economy, while dealing with an economic problem. This position implies
that the synthesized approach to conventional economics recognizes the vital role played by human nature in the economy. Thus, the synthesized approach to conventional economics envisages a dynamic interaction between human nature and available resources in the economy.

Let us recall that the primary objective of the thesis is to deduce and incorporate the perspectives of Advaita Vedānta into the concept of economic man and discern the implications of such a synthesis. In line with our chief objective, we have evolved a synthesis involving the four-fold area of interaction of Advaita Vedānta and conventional economics. While discerning the implications of this synthesis, we are able to observe that at every stage of interaction between Advaita Vedānta and conventional economics, the evolved synthesis is able to overcome the limitations faced by conventional economics and its concept of economic man.

In the process of overcoming the limitations faced by the conventional concept of economic man, the synthesis re-define economic concepts and thereby extends the horizon of the concept of economic man. Let us now proceed to discuss the extensions made to the conventional concept of economic man.

B. Extension of the Horizon of the Concept of Economic Man

The concept of economic man is the core subject-matter of the thesis. An endeavour to discuss its extension (effected through a synthesis involving the perspectives of Advaita Vedānta and conventional economics) would also serve as an evaluation of the concept of economic man.

In the system of conventional economics, economic man (homo economicus) is perceived as rational and rationality refers to the maximization principle. C.Dyke clearly explains the relationship of an economic man with rationality and the maximization principle.
He states, "The rule of rationality involved here is: *Act so as to get the most value you can for the least value expended.* Someone who acts on the basis of this rule has come to be called a 'rational economic man'." Thus, conventional economics enforces a complete identity in the relationship among economic man, rationality and the maximization principle. In other words, we may say that: Economic Man $\equiv$ Rational $\equiv$ Maximization

We are able to observe that the concept of economic man is explained with the help of two other important concepts, namely, the concept of rationality and the concept of maximization. An endeavour to discuss these three concepts (and its inter-relationships) perceived under the conventional economic paradigm and the synthesized economic paradigm, would clearly bring out the extension of the horizon of the concept of economic man. Let us now proceed to discuss the three important concepts.

1. Maximization principle

In the conventional economic paradigm, the concept of maximization or economic maximization is considered as the only ideal to be achieved in every action of an individual. In the synthesized economic paradigm, the concept of maximization or economic maximization is included as one of the ideal, but is not considered as the only ideal to be pursued by an economic man. Here, we are able to perceive that the synthesized paradigm is able to accommodate more than one ideal or motive to be pursued by an individual.

Since the concept of maximization is related to the concept of rationality, let us now proceed to discuss the relationship between these two concepts with the intention of bringing out the extension of the horizon of the concept of rationality, an important component of the concept of economic man.

2. The Relationship between Rationality and Maximization
In the conventional economic paradigm, the concept of rationality is considered as identical to the maximization principle. But, modern economists, providing irrefutable evidences, emphasize the fact that it is neither feasible nor desirable to maintain the identity relationship between rationality and economic maximization.

In the synthesized economic paradigm, the concept of rationality is perceived as an instrument employed to achieve various objectives including economic maximization. The synthesized economic paradigm, in the process of overcoming the non-feasibility and un-desirability limitations, re-defines economic rationality with two important constituting factors. Firstly, rationality is perceived as an instrument and not as an ideal. Secondly rationality is employed to achieve various objectives including economic maximization. Here, ‘various objectives’ may refer to the less-than-maximization pursuits and the non-maximization (ethical) motives of an individual.

The synthesized economic rationality accommodates and recognizes the genuine aspirations of an economic man which may fall short of the maximization objective of conventional economics. Moreover, it provides a legitimate ground for discussing the vital role played by ethical commitments along with self-interest, in the decision-making deliberations of individuals. This also ensures that there is no conflict or trade-off between rationality and morality in the synthesized economic paradigm. Since the altruistic, moral and social commitments are recognized within the synthesized economic rationality, a rational action would include the welfare of the individual as well as the society. Thus, we are able to observe that the synthesized economic rationality extends the horizon of the conventional economic rationality, an important aspect of the concept of economic man.

It may be noted that even though the synthesized economic paradigm redefine the concept of economic rationality and extends its boundary, it also upholds the basic structure of conventional economics by maintaining a relationship between rationality and maximization (wherein, economic maximization is considered as one of the objective which may be achieved by employing rationality).
The concept of rationality is a vital component of the concept of economic man. The concept of rationality is considered as one of the basic foundation of economics. In the words of Bill Gerrad, "the axiom of rationality is the cornerstone of modern economics."\(^{12}\) Danial Hausman observes, "Much of the methodological distinctiveness of economics stems from the remarkable fact that a theory of rationality lies at its theoretical core."\(^{13}\) In the system of conventional economics, the concept of rationality defines the behaviour of an economic man. It logically follows that any extension to the horizon of the former would automatically have its impact on the horizon of the latter (i.e., the concept of economic man).

Let us now proceed to discuss the relationship between the concept of economic man and rationality as perceived in the conventional economic paradigm and the synthesized economic paradigm. This endeavour would enable us to clearly observe the extension of the horizon of the concept of economic man.

3. **The Relationship between Economic Man and Rationality**

In the conventional economic paradigm, the concept of economic man is considered as identical to rationality. In other words, an economic man (*homo economicus*) is rational. In the synthesized economic paradigm, an economic man is perceived as an ethical person possessing rationality.

The synthesized concept of economic man re-defines conventional concept of economic man with two important constituting factors. Firstly, economic man is perceived as an ethical individual. Secondly, rationality is considered as an instrument in the hands of an ethical economic man.

The synthesized concept of economic man recognizes man as a social being with strong moral commitments, rather than a mere rational being. This ensures that an economic man would be more responsive and sensitive to socio-economic and ethico-economic issues like pollution, corruption, western life styles, the plight of mentally ill and street children, the vulnerability of the poor and the underprivileged, violence and terrorism in
society, etc. By considering rationality only as an instrument, the synthesized concept of economic man automatically accommodates the synthesized economic rationality (wherein, rationality is employed as an instrument to achieve various objectives including economic maximization). Thus, we are able to observe that the synthesized concept of economic man extends the horizon of the conventional concept of economic man.

It may be noted that even though the synthesized economic paradigm redefines the concept of economic man and extends its boundary, it also upholds the basic structure of conventional economics by maintaining a relationship between economic man and rationality (wherein, rationality is considered as an instrument in the hands of an ethical economic man).

Thus, a discussion on the important components of the concept of economic man (and its inter-relationships) perceived under the conventional economic paradigm and the synthesized paradigm, clearly reveals the extensions made to the horizon of the concept of economic man. In the process, the effort leads to the evolvement of the definition of the concept of economic man under the conventional economic paradigm as well as the synthesized economic paradigm.

In the Conventional Economic Paradigm:

Economic Man is perceived as rational, identified with the maximization principle, the only ideal to be achieved in every action of an individual.

In the Synthesized Economic Paradigm:

Economic Man is perceived as an ethical person possessing rationality as an instrument to achieve various objectives including economic maximization.

4. A Tabular Representation

The above definitions and its evolvement may be clearly shown through a tabular representation as under:
<table>
<thead>
<tr>
<th>Particulars</th>
<th>Conventional Economic Paradigm</th>
<th>Advaita Vedāntic Parādigm</th>
<th>Synthesized Economic Paradigm</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Ethical Standard</td>
<td>The ethical standard is given by the principle of &quot;Maximization of Satisfaction&quot;. Moral judgements are effected based on the maximizing consequences of an action.</td>
<td>The ethical standard is given by the principle of &quot;the Purification of the Mind&quot; (Citta Suddhi). Moral judgements are effected based on the intention of an action.</td>
<td>The ethical standard may be given by a principle which characterises both the intention and the consequences involved in an action. While the intention of an action may be the primary factor, the consequences may be considered as the secondary criterion for effecting moral judgements of an action.</td>
</tr>
<tr>
<td>The concept of Maximization</td>
<td>Maximization principle is considered as the only ideal to be achieved in every action of an individual.</td>
<td>Economic Maximization, a quantifiable ideal to be achieved through external acquisition, is not considered as an ideal to be pursued by man.</td>
<td>Economic Maximization may be considered as one of the ideal, but is not the only ideal to be achieved by man.</td>
</tr>
<tr>
<td>The concept of Rationality</td>
<td>Rationality is identical to the Maximization principle.</td>
<td>Rationality (Yukti) is an instrument which is neither identical to nor leads to economic maximization. Rationality (Yukti) is employed to understand the scriptures (śruti), which indicates dharma and Brahmā, culminating in experience (ānubhava).</td>
<td>Rationality is an instrument employed to achieve various objectives including economic maximization. By 'various objectives', we refer to the less-than-maximization and the non-maximization (ethical) motives of an individual.</td>
</tr>
<tr>
<td>The concept of Man</td>
<td>Man is rational.</td>
<td>Man(Jīva) is essentially Spiritual (Brahman-ātman), but due to ignorance (mâyā-avidyā) of his true nature, he reveals the ethical and animal nature at the empirical level of existence (Vyāvahārika-sattā). Man is cognized as man only if he adheres to ethics (Dharma) or else he is no better than an animal.</td>
<td>Man is an ethical person possessing rationality.</td>
</tr>
<tr>
<td>The concept of Economic Man</td>
<td>Economic Man is perceived as rational, identified with the maximization principle, the only ideal to be achieved in every action of an individual.</td>
<td></td>
<td>Economic Man is perceived as an ethical person possessing rationality as an instrument to achieve various objectives including economic maximization.</td>
</tr>
</tbody>
</table>
The dynamic and encompassing nature of the synthesized concept of economic man may be clearly perceived in its approach to an economic problem.

The synthesized concept of economic man alters the nature of an economic problem. By effecting a division of human wants into human need and human greed, the synthesized concept of economic man brings into focus the ethical issues involved in an economic problem. This may be the first step for an endeavour to discuss ethics in economics. Further, by not upholding the cardinal assumption that human wants are unlimited, the synthesized concept of economic man gives equal importance to man (and his nature) as well as the resources (and its allocation) in the economy. This position reflects a well-balanced approach to an economic problem, unlike the lop-sided approach of conventional economics (which gives importance only to the resources and its allocation).

The above attempt is, but one instance to exhibit the far reaching potentiality of the synthesized concept of economic man, in the system of economics.

The concept of economic man (homo economicus) is very fundamental to economics. Hence, to assess and appreciate the wide scope and deep import of the synthesized concept of economic man in the system of economics, would require a build-up of economic models and structures based on the foundation provided by the synthesized economic paradigm. These synthesized economic models, by overcoming the constraints faced by conventional economics, would not only benefit economics but also other disciplines which employ economic tools in their system. These synthesized economic models, ingrained with the altruistic and moral values, may lead to the establishment and recognition of economics as a powerful instrument to make this world a qualitatively better place to live in. It would firmly enthrone economics as a premier social science discipline.

We forward this inter-disciplinary thesis which evolves a synthesized concept of economic man (involving the perspectives of Advaita Vedânta and conventional economics) as a development over the conventional concept of economic man. Let our future efforts be directed to ensure that the synthesized economic paradigm, a potentially-productive theoretical paradigm, is equally an empirically-validated practical paradigm.
NOTES AND REFERENCES

CHAPTER I


2. In the words of Alfred Marshall "Political Economy or Economics is a study of mankind in the ordinary business of life; it examines that part of individual and social action which is most closely connected with the attainment and with the use of the material requisites of well beings." Alfred Marshall, Principles of Economics (1890), Eight Edition (1920), MacMillan and Co. Ltd., London, Reprinted in 1961, Book I, Chapter I, p.1. Economists like A.C.Pigou and E. Cannon have also defined economics in terms of material welfare.


4. The United Nations classification on developed and developing countries is based on the Per capita income of various countries. United Nations, Measures for the Economic Development of Underdeveloped Countries, 1951 p. 3.
