THE ETHICS OF LIFE-AFFIRMATION

Assessing the Life-Affirming and Life-Denying Characteristics of Neoliberal Capitalism

by

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Abstract

This thesis explores to what extent neoliberal capitalism tends to be Life-affirming and Life-denying. A philosophical interpretation of Life and an ethical framework, the Ethics of Life-Affirmation, were developed to analyze neoliberal capitalism's underlying assumptions. The aim was to see if neoliberal capitalism fosters Life-affirming social structures that encourage humans to affirm Life. Grounded in Hans Jonas' existential-phenomenological and Indigenous relational ontology, Life embodies an inner horizon, a fundamental will to live, the interconnectedness of all living beings, and is inherently dynamic. The Ethics of Life-Affirmation guides actions to protect and preserve Life while promoting its freedoms and fulfilling its necessities. Tracing neoliberal capitalism from John Locke to Milton Friedman, the study highlights the shift from classical liberalism to neoliberalism, prioritizing economic freedom and wealth accumulation. Using the Ethics of Life-Affirmation as an analytical framework, the thesis finds significant differences between Life-affirming principles and neoliberal capitalism. Neoliberalism's focus on wealth accumulation and economic freedom contrasts with Life-affirmation's emphasis on preserving and expressing Life. The commodification of natural elements and labor, combined with profit maximization, risks overexploitation and social inequality. The pursuit of wealth accumulation may not necessarily lead to happiness or responsible action towards future generations. Ultimately, it is questionable that the self-interested pursuit of wealth accumulation fosters behavior that protects and preserves the collective living body while promoting its freedoms and fulfilling its necessities. The thesis suggests exploring alternative economic theories, like ecological and circular economies, to promote sustainable and Life-affirming practices. Future research will further explore these alternatives.

Lay Summary

This thesis explores whether neoliberal capitalism, which emphasizes economic freedom and wealth accumulation, supports or harms the well-being of people and the planet. The research creates an ethical guide called the Ethics of Life-Affirmation by developing a new understanding of Life based on interconnectedness and sustainability. The ethical guide then examines if neoliberal capitalism aligns with these Life-affirming principles. The study finds that neoliberal capitalism's focus on self-interest and profit maximization contradicts Life-affirming values that prioritize health, well-being, and diversity of Life. The thesis suggests looking into alternative economic systems like ecological and circular economies, which better support sustainable and Life-affirming societies. Future research will explore these alternatives to see how they can provide healthier and more peaceful social structures.

Preface

This thesis represents the culmination of my research efforts, and I affirm that I am the principal contributor to all aspects of this work. The research was designed and written primarily by me. However, I acknowledge the valuable support and guidance provided by my supervisor, Prof. Dr. Thomas Heilke, who was instrumental in the design and writing of the research. Additionally, Dr. Shawn Wilson and Prof. Dr. John Janmaat, members of my supervisory committee, supported me throughout the writing process.

Generative artificial intelligence (AI) was not used in any aspect of the research or data analysis. However, I utilized the software Grammarly to assist with correcting errors and making the text more natural, as English is my second language. This tool was used solely for language enhancement and did not contribute to the research content or analysis.

There are no publications or submissions arising from this work, and no copyrighted materials are included in the thesis.

As the research did not require ethical approval, there is no corresponding UBC Research Ethics Board Certificate.

This statement confirms that the thesis is the result of my independent efforts with acknowledged support and guidance from my supervisory team, and that no external sources or AI technologies contributed to its development.

Contents

Abstract . . . . . **iii**

Lay Summary . . . . . **iv**

Preface . . . . . **v**

Table of Contents . . . . . **vi**

List of Figures . . . . . **ix**

1 Introduction **1**

2 What affirms Life? **4**

2.1 The Philosophical Context: Western Cosmology 4

2.1.1 Animism & Panvitalism 4

2.1.2 Cartesian Dualism 5

2.1.3 Materialism & Idealism 6

2.2 A Philosophy of Biology: Ontology 8

2.2.1 Metaphysical Categories 10

2.2.2 Transcendence 12

2.3 The Philosophical Context: Great Chain of Being 13

2.3.1 Great Chain of Being 13

2.3.2 Scientific Revolution 14

2.3.3 Evolution Theory 17

2.3.4 Jonas' Philosophical Biology 19

2.3.5 Critical Analysis of Jonas 23

2.4 A Philosophy of Biology: Phenomenon of Life 31

2.4.1 Ontological Grounds 31

2.4.2 Fabric of Life 32

2.4.3 The Phenomenon of Life 39

2.5 The Ethics of Life-Affirmation 43

2.5.1 Jonas' Ethics of Responsibility 43

2.5.2 Indigenous Peoples' Ethics of Custodianship 45

2.5.3 The Ethics of Life-Affirmation 48

3 How has Neoliberal Capitalism been evolving? 56

3.1 A brief History of Western Economics 56

3.1.1 Historical Context - Prior the Eighteenth Century 57

3.1.2 The Rise of Liberalism 64

3.1.2.1 John Locke 64

3.1.3 Historical Context - The Eighteenth Century 67

3.1.4 The Foundations of Classical Economics 69

3.1.4.1 Adam Smith 69

3.1.4.2 Jeremy Bentham 74

3.1.4.3 James Mill 75

3.1.5 Historical Context - The Nineteenth Century 78

3.1.6 The Golden Age of Liberalism 81

3.1.6.1 John Stuart Mill 81

3.1.6.2 Frederic Bastiat 83

3.1.6.3 Herbert Spencer 86

3.1.7 Historical Context - The Nineteenth Century (Colonial Expansion) 88

3.1.8 The Rise of Neoclassical Economics 91

3.1.8.1 Stanley Jevons 91

3.1.8.2 Léon Walras 93

3.1.8.3 Carl Menger 95

3.1.9 Historical Context - 1870 to 1950 96

3.1.10 The Rise of Neoliberalism 99

3.1.10.1 Friedrich von Hayek 99

3.1.11 Historical Context - 1950 to 1970 101

3.1.12 The Expansion of Neoliberalism 104

3.1.12.1 Milton Friedman 104

3.1.13 Historical Context - After 1970 109

3.2 The Characteristics of Neoliberal Capitalism 114

4 Discussion 120

5 Conclusion 134

References **142**

List of Figures

Figure 1 By Llull, Ramon, 1305, The mediaeval scala naturae. 14
Figure 2 Dadson, Arthur, 1893, Evolution and religion, London: Swan Sonnenschein 18
Figure 3 Montgomery, David R. and Anne Biklé, 2015, The Hidden Half of Nature, New York and London: W.W. Norton and Company . . . 25
Figure 4 Montgomery, David R. and Anne Biklé, 2015, The Hidden Half of Nature, New York and London: W.W. Norton and Company . . . 26

„This life is a gift and it is our responsibility to respect and protect that which gives us life. [...] Every generation leaves a mark on this planet. We leave something behind to be remembered by, and we are at a tipping point right now where we will either be remembered as a generation that destroyed the planet, as a generation that put profits before future, or as a generation that united to address the greatest issue of our time by changing our relationship with the earth. We are being called upon to use our courage, our innovation, our creativity and our passion to bring forth a new world. So, in the light of this collapsing world that we see - what better time to be born than now? What better time to be alive than now? Because [...] we get to change the course of history. Humans have created the greatest crisis that we see on the planet, and the greater the challenge, the higher we will rise to overcome it.“

(Xiuhtezcatl Martinez, 2015)

1 Introduction

The thesis *The Ethics of Life-Affirmation: Assessing the Life-Affirming and Life-Denying Characteristics of Neoliberal Capitalism* addresses my generation's responsibility to prevent an ecological collapse and leave a healthier and more peaceful world for future generations. It represents the third stage of a research journey whose goal is to explore new ways of thinking and living. My Humboldt thesis *Wie das Fundament zum Treibsand wurde* (2020) (Engl.: *How the foundation turned into quicksand*) laid the benchmark, which challenged substantial thinking in the history of Western science and investigated *relationality* as an alternative way of thinking. I concluded that relational thinking is a promising foundation for new thinking that might lead to a better future. My Bachelor's thesis *Die mannigfaltigen Möglichkeiten der Zivilisationsentwicklung* (2021) (Engl.: *The manifold possibilities of development of civilization*) builds on these findings. I developed a terminology based on academic literature which can be discussed from a non-substantial perspective. To this end, I defined the metaphysical categories *relationality*, *process*, and *potentiality* including etymological, philosophical, and natural scientific arguments. It turned out that these categories are valuable tools to describe non-substantial aspects of reality. Self-critically, I admitted that although the categories *process* and *potentiality* were solidly grounded, *relationality* could not be satisfactorily argued. I also concluded that the reality in our mind and the reality of the material world are mutually dependent and influence each other. This Master's thesis intends to apply these metaphysical findings to life and investigate theories of mainstream economics.

I chose economic theories as the subject of the discussion because economics is not just an academic discipline but shapes policies, influences decision-making at governmental and organizational levels, and affects the lives of living beings worldwide. While humanity as a whole has been experiencing a reduction in extreme poverty, advancements in health and longevity, and an increase in access to education over the last few decades (Rosling, 2018), climate change, loss of biodiversity, environmental degradation, and limited access to essential resources such as food, clean water, healthcare, and education continue to pose significant challenges and threaten the well-being of living beings around the world (Klein, 2014). These issues underscore the

urgent need for concerted global action to address the root causes of environmental degradation, reduce inequality, and ensure sustainable development that prioritizes the needs of both current and future generations. As economic theories have evolved in response to the changing social, political and technological landscape and address critical issues such as resource allocation, wealth distribution and environmental sustainability, it is important to analyze the historical development of economic thought. By examining the underlying assumptions and ideas, we can better understand how economic theories shape our perceptions of society and influence policy decisions. This examination leads us to consider whether we should continue to rely on existing theories or explore alternative frameworks.

As I engage with Indigenous philosophies of relationality, I believe it is important to establish my personal connection to this topic. Growing up in Berlin, Germany, within a Western belief system shaped by modern sciences and a capitalist social order, my worldview was initially grounded in mechanistic, reductionist, and profit-oriented thinking. However, through travel, learning from other cultures, and my academic studies, I have come to recognize the limitations of these approaches. Mainstream science often prioritizes accuracy by isolating subjects from their context, which I believe contributes to the social and ecological issues discussed in this thesis. Similarly, in a capitalist society, individual profits are often placed above social and ecological well-being. My research seeks to explore alternative ways of understanding life that transcend mechanistic assumptions, embracing the idea that all living beings may possess mind, consciousness, and spirit. By adopting relational perspectives, I see the world as an interconnected and interdependent reality, where every entity influences and is influenced by others, and exists only because other entities exist. I believe that embracing these alternative assumptions, approaches, and practices can offer solutions to contemporary global challenges.

For this reason, this thesis asks to what extent neoliberal capitalism tends to have life-affirming and life-denying characteristics. For this purpose, we must present an outline of what we mean by life. We will conceptualize life by setting non-substantial assumptions, such as existential, phenomenological, relational, and processual ones. Hans Jonas's philosophical biology and Indigenous philosophies will help us to define a *living being* as the ontological unit. After conceptualizing Life, I will propose an ethical

framework based on Jonas' and Indigenous axiology, indicating what affirms and denies Life. The so-called Ethics of Life-Affirmation serves as a guiding principle for human actions. Before applying the Ethics of Life-Affirmation to economic theories, we will trace how neoliberal capitalism has evolved. We will present the material and ideal societal changes from feudal Europe in the Middle Ages to neoliberal Chile in the twenty-first century. In parallel to the „real-world" changes, liberal and neoliberal economists and philosophers will highlight capitalism's intellectual descriptions, explanations, and justifications. Friedrich von Hayek and Milton Friedman will provide the basis for identifying characteristics of a neoliberal version of capitalism. By critically examining these characteristics under the Ethics of Life-Affirmation, the thesis intends to contribute to a deeper understanding of whether neoliberal capitalism's underlying ideas and assumptions provide social structures that encourage humans to affirm Life.

Since a more comprehensive presentation of an interpretation of life, the development of an ethical framework, and the history of capitalism expand the length of a Master's thesis, I had to balance the scope and thoroughness of the literature. I wanted to include as much literature from multiple authors and disciplines as necessary and use as few arguments as possible to answer the research question. The Ethics of Life-Affirmation needs a broader range of ethical theories. The history of neoliberal capitalism needs more perspectives and voices and only selectively presents social upheavals in specific geographical and cultural regions. The characteristics of neoliberal capitalism miss international trade, taxation, and monetary policy. However, the thesis is thorough enough to provide a comprehensive interpretation of life, proposes an Ethics of Life-Affirmation, and identifies characteristics of neoliberal capitalism. Future research will need to examine alternative theories in economics that rely on Life-affirming assumptions and foster social structures that encourage humans to affirm Life.

2 What affirms Life?

2.1 The Philosophical Context: Western Cosmology

Before we start the foolhardy undertaking to comprehend life, I want to acknowledge that life is a very complex phenomenon that can neither be fully understood nor exhaustively put into a mental framework. In order to figure out, however, what life-affirming and life-denying mean, life must be approached in any way. I asked myself how to approach life intellectually. I have read definitions by biologists, chemists, physicians, philosophers, and historians. I have tried to define categories such as the *conditions of life*, *the living*, and *the life-worthy*. But instead of creating a new categorical system based on an interdisciplinary approach, I have decided to ground my thesis on the philosophical biology suggested by Hans Jonas (1903-1993). Jonas was a German-American philosopher who contributed to topics in cosmology, ethics, philosophy of biology, and Jewish theology. In his book *The Phenomenon of Life: Toward a Philosophical Biology* (1966), Jonas sets forth a systemic and comprehensive philosophy of life. Central to this philosophy is a critique of modern philosophy's basic assumptions, particularly René Descartes' dualistic separation of mind and body and its metaphysical consequences, which have been carried over by modern science. Cartesian dualism left a philosophical situation in which the subsequent scholars either took a stand from a materialistic or an idealistic standpoint. In discussing and analyzing the split in Western thought with an existential-phenomenological approach, Jonas' work intends to bridge the postdualistic extremes and synthesize them. Jonas thus follows his teacher, Martin Heidegger, who emphasized existential phenomenology in his early work. But before we trace Jonas' existential-phenomenological ontology, I will outline the philosophical context of Western cosmology in which his philosophy is embedded and with which it is in conversation.

2.1.1 Animism & Panvitalism

When humans first began to interpret the world, life was to them everywhere. All things were alive and consisted of a soul, which included natural elements and phenomena like mountains, rivers, and rocks. Their abilities to beget, nurture, and destroy suggested

the existence of spirits and life forces. This widespread view is called animism, and later conceptual expressions were found in hylozoism and panvitalism. Bare matter in the sense of inanimate or „dead“ matter was yet to be discovered. Animism satisfied the needs of the available realm of experience and was confirmed by the everyday horizon of life (Jonas, 2001, p. 7).

If everything is alive and life is the natural condition in the world, death becomes a contradiction to be explained. That is why the theoretical situation of wondering about death and its meaning has persisted for an extended period (ibid., p. 8). Death had to be assimilated to life: How and why did death come into the world? And to where does it lead? The „problem“ was intellectually solved by denying death and extending life through various forms of ideas, such as the afterlife and immortality. Both of these „solutions“ attested to the universal ontology of life. The metaphysical implication was that „being was intelligible only as living; and the divined constancy of being could be understood only as the constancy of life, even beyond death and in defiance of its apparent verdict“ (ibid., p. 9).

Coming from the experience of the omnipresence of life on Earth, only a change of perspective could eventually displace the animistic worldview in Western thought. It was the Copernican revolution that widened the horizon into the vastness of cosmic space. From there, life appeared as a side issue in the universe and not as an all-encompassing circumstance (ibid., p. 8). The philosophical concept of dualism promoted the separation between the living and the dead.

2.1.2 Cartesian Dualism

The first dualistic tendencies in Western thought, however, occurred in Orphic philosophy and influenced the later Greek and Roman traditions. The discovery of an inner „self“ in the form of the human soul opened the possibility of an inanimate universe. As a result, the spiritual elements of nature were drained from the physical world. We can say that death began to conquer the outer reality, while the soul retreated into its innermost core and left the world behind, freed from all demands (ibid., pp. 13-14).

The scientific version of dualism is classically represented by René Descartes (1596-1650). Descartes divided substance into *res cogitans* and *res extensa*. The former encompassed inwardness, mind, consciousness, form, subject, and spirit; the latter

outwardness, nature, spatiality, matter, object, and body (Jonas, 2001, p. 72). The classical polarities of form and matter, active soul and passive body, intelligible and sensible, were designed in a way that the second term stood in a dependency on the first. By introducing Cartesian dualism, these polarities were substituted by the independent polarities of subject-object, mind-nature, consciousness-spatiality, inwardness-outwardness. The self, or spirit, equipped with emotional awareness and reason, was limited exclusively to human existence. In contrast, all objects, or bodies, consisted of matter, which existed self-sufficiently. Nature was wholly identified with matter and ascribed mathematical and rational properties governed by laws of causality. „[F]or the first time in [dualism's] long history, every kind of awareness, however sensual or emotional - in short, irrational - is grouped *with* reason on one side and set over against every kind of spatial being, including its mathematical, that is, rational, form, on the other side. „Matter" in fact, in the sense of „body", becomes more rational than „spirit"" (ibid., p. 73).

In Descartes' conceptualization, both the mind and soul become redundant in the explanation of nature. The mindless was followed by the lifeless. Dead matter became the standard of intelligibility, and life was reduced to the lifeless standard. Consequently, the Cartesian theory of organism conceived the animal as an automaton, except for humans (ibid., p. 74). The animal body was treated as a machine constructed to function as it does automatically. There was neither intelligence nor purpose in their functioning itself (ibid., p. 41). The animal automata also possessed no inwardness. All signs of pleasure and pain were „deceptive phenomena" suggested by human experience. In this way, the living organism was treated as just another object of the *res extensa* and entirely determined by the rules of matter (ibid., pp. 55-56).

2.1.3 Materialism & Idealism

Materialism and idealism represent the historical consequence of the split cosmos caused by Cartesian dualism. Both traditions took their stance in one of the two poles of dualism and comprehended the whole of reality from this perspective. While materialism is rooted in the extended realm of matter, idealism took its standpoint from the inner realm of the spirit. However, the problem that dualism has created in terms of feeling life in an unfeeling world of matter could not be solved by one of

the postdualistic theories. Both materialist and idealistic monisms evade the problem, each in its manner of one-sidedness. By reducing the cosmos to their chosen viewpoint, both theoretical lenses distinguish between primary and secondary reality. In the case of materialism, it is substance and function. For idealism, it is consciousness and appearance. The issue is that both ontological positions claim totality for themselves but can only do it by excluding the other. Since they only cover a part of the whole, both are based on an inner contradiction that they cannot resolve themselves due to their reduction: Materialism fails to incorporate consciousness, and idealism cannot explain the thing-in-itself (Jonas, 2001, p. 17). „[I]t seems that in the long run no part of a whole can profit from what that whole loses in another part, and in the end even general causality loses in intelligibility what the elimination of life was meant to secure for it in terms of scientific knowledge“ (ibid., p. 21).

The monistic-materialist position that dead matter is the natural condition of the cosmos is opposite to the panvitalist view that the cosmos is alive. The cosmos was conceived as a „field of inanimate masses and forces which operate according to the laws of inertia and of quantitative distribution in space“ (ibid., p. 10). The mechanic conception of the universe is yet theoretical under pressure to explain the existence of life. Life has shrunk from its omnipresence to that of the organism in its conditioned earthly environment. „The conditioning, life-enabling character of that environment is in turn an improbable accident of a universe alien to life and indifferent in its material laws. All modern theories of life are to be understood against this backdrop of an ontology of death, from which each single life must coax or bully its lease, only to be swallowed up by it in the end“ (ibid., p. 15). Life is, therefore, explained as an accidental variation of the lifeless.

The ontological dominance of death is the point of departure in Western tradition today. Jonas, too, starts his philosophical biology on the grounds of materialistic ontology and justifies his approach by stating that materialism, in contrast to idealism, engages with the living body:

> „The living body that can die, that has world and itself belongs to the world, that feels and itself can be felt, whose outward form is organism and causality, and whose inward form is selfhood and finality: this body is the momento of the still unsolved question of ontology, „What is being?“ and must be the canon of coming attempts to solve it. These attempts must move beyond the partial abstraction („body and soul,“ „extension

and thought," and the like) toward the hidden ground of their unity." (Jonas, 2001, p. 19)

However, another integral monism cannot overcome the dualistic split in Western thought. That is why Jonas aims to absorb materialism and idealism into a higher unity of being, which is itself a process of becoming. His ontology claims to take up the problem that initially gave rise to dualism and synthesize it into an existential philosophy.

2.2 A Philosophy of Biology: Ontology

In his philosophy, Jonas defines the *organic body*, that is, *material life* or *living body*, as the ontological unit (ibid., p. 25). By defining the body of an organism as what *is*, Jonas takes the material aspect of life as a starting point for his philosophical biology. In order to prevent a wholly materialistic perspective and to move beyond the partial abstraction of the postdualistic traditions, Jonas grounds his ontology in existentialism and phenomenology. But what are these schools of thought?

What is important to note for our context is that existentialism[1] deals with humans' situated existence and their freedom. Human existence is seen as a relational activity structurally bound up in the world. Heidegger introduced the German term „Dasein", i.e., being, existence, or being-in-the-world, to highlight that self and world are a single entity (Stanford_Existentialism, 2023). By acknowledging that human existence is „caught up in the world", existentialists argue against the idea of objectivity from a third-person perspective. In contrast, the focus is on the individual's lived experience and the unique way each person encounters the world. Accordingly, freedom always occurs in a specific context, characterized by a person's body, life circumstances, and experiences. However, the individual's freedom brings responsibility for themselves and their actions, which is both empowering and burdensome because it requires individuals to take responsibility for their decisions (Encyclopedia_Existentialism, 2023).

[1] „As an intellectual movement that exploded on the scene in mid-twentieth century France, „existentialism" is often viewed as a historically situated event that emerged against the backdrop of the Second World War, the Nazi death camps, and the atomic bombings of Hiroshima and Nagasaki, all of which created the circumstances for what has been called „the existentialist moment"" (Stanford_Existentialism, 2023).

On the other hand, phenomenology[2] is the study of structures of consciousness as experienced from the first-person point of view. Phenomenological methods describe individual experiences and interpret them in terms of a person's subjective meaning by looking at the contextual relationships to things in the world (Stanford_Phenomenology, 2023). „From a phenomenological perspective, the world is not a geometrical space nor is it the sum of objects. It is the relational setting of our lives, the shared context of meaning that we are already involved in" (Stanford_Existentialism, 2023). The phenomenological approach stands against reductionist methods and aims to comprehend the experienced phenomenon in its wholeness. In addition, in Heidegger's phenomenological philosophy, existence is essentially temporal. Existence means that being-in-the-world („Dasein") is a potentiality for being („Seinkönnen"). Accordingly, the phenomenon of being has various possibilities interwoven with the future (Encyclopedia_Heidegger, 2023).

Jonas builds upon both existentialism and phenomenology and applies them to life. By doing so, he avoids reducing and limiting life to its physical and chemical parts and processes. Instead, the existential-phenomenological approach attempts to comprehend the experience of life in its wholeness and within its context. Life appears as a phenomenon that consists of both organic and mind. Although Jonas rejects the metaphysical developments of Western thought, he approaches the ontological unity of an *organic body* by drawing on polarities used in Western philosophy's history but propagating them on existential-phenomenological grounds. The *organic body* is created, formed, and situated in interconnected relationships of being and not-being, self and world, form and matter, and freedom and necessity. As a *living body*, life strives for self-preservation, freedom, and higher forms of being. This transcendental nature makes life grow mediacy, i.e., distance or freedom, of an organism to the environment.

In the following, we will review Jonas' categorical system and comprehend his ontology. The aim is to grasp the phenomenon of life cognitively so that we can deduce what affirms and denies life.

[2] „[P]henomenology is the study of "phenomena": appearances of things, or things as they appear in our experience, or the ways we experience things, thus the meanings things have in our experience. Phenomenology studies conscious experience as experienced from the subjective or first person point of view" (Stanford_Phenomenology, 2023).

2.2.1 Metaphysical Categories

Life's most basic polarity is being and not-being. It is characterized by impermanence, finiteness, and paradoxes. An *organic body* that comes alive, that is, ontologically into being, must deal with mortality as its contradictory counterpart. As Jonas states, „life carries death in itself, not in spite of, but because of, its being life" (Jonas, 2001, p. 5). Free in experiencing the outer world, the *living body* is bound to the necessity of both its external supply and the internal continuation of metabolism. Metabolism allows the organic body to change its material contents. The organic can preserve itself by receiving, processing, and emitting matter. But the preservation is not guaranteed. The *organic being* will exist until the ever-present contrary, not-being, eventually catches up with it (ibid., p. 4). Being alive is, therefore, a constant possibility rather than a permanently given state. This impermanent state contains the dynamic identity of a self.

All life forms emerge with an internal self and identity. Jonas states that an „identity which from moment to moment reasserts itself, achieves itself, and defies the equalizing forces of physical sameness all around, is truly pitted against the rest of things" (ibid., p. 83). The rest of things, that is, anything but itself, is seen as otherness. The internal self perceives otherness as an external world through and against which the organism must assert itself. In this process, the self's „inwardness actively transcends itself into the outward and continues itself into it with its actions" (ibid., p. 23). This inwardness is shown in feelings, sensitivity, response to stimuli, appetite, desire, and awareness, and allows the living being to encounter other beings. The world then reveals itself as a co-reality experienced by various living beings and shared through vital relationships (ibid., p. 84). The shared experiential space shows living beings that matter can have an inner horizon that is otherwise only experienced from the outside (ibid., p. 24). This inner horizon can be called mind (ibid., p. 3). However, the *living body* needs changes of matter in order to sustain its mutable identity (ibid., p. 80). The dynamic nature of its identity influences how the organism is structured. Depending on the multiplicity of the material contents accessible, the effective unity of the organic being takes different shapes (ibid., p. 80). In this sense, living beings are not just made up of a body: their bodies are an integral part of what they are, that is to say, their form (ibid., p. 82).

Form is the organizing structure that characterizes the physical manifestation of life. It is the essence that makes the organic what it is. Matter is the accident and the underlying material aspect of life's manifestation in the physical realm. However, the relation of form and matter is revocable and unassured (Jonas, 2001, p. 80). The *living body* must change matter for the sake of self-continuation. Its form causes the material parts to come and stay together. An *organic body* is, therefore, a complex system of matter that is a unity of a manifold. The wholeness is achieved through its active functioning. Because of this self-integration, the organic being exists for its own benefit and is sustained by itself, which is why Jonas finds it justifiable to call a *living body* an individual (ibid., p. 79). This unity is only guaranteed by a constant supply of material contents. The necessary matter is to be found in the organic body's external world. Jonas highlights that „the organic form stands in a dialectic relation of needful freedom to matter" (ibid., p. 80). In order to process the external supply and sustain itself, the *organic body* must mobilize effort to overcome the resistance of the worldly matter (ibid., p. 23). This effort is rooted in the very essence of life, namely, the pursuit of freedom.

Freedom is the intrinsic driver of the organism and is balanced by necessity (ibid., p. 80). Though its autonomy opposes the general causality of the outer realm, the *organic body* must preserve itself with the means of the world from which it has separated. The *living body* does it by continuous metabolism. Metabolism, therefore, is the most basic form of all organic existence and itself the first form of freedom (ibid., p. 3). Concerned about acquiring new matter, the *organic body* must be open to encountering other beings. „But [openness] means affectivity as well es spontaneity, outward exposure as well as outward reach: only by being sensitive can life be active" (ibid., pp. 84-85). Interactions with the outer world and, therefore, with other living beings are necessary for its freedom. Freedom is shown by the metabolic ability of changing matter and an increasing independence, or mediacy, as Jonas likes to say, of the bare physical. The „enhancement of this independence, or freedom, is the principle of progress in the evolution of life, which in its course produces new revolutions and opens a new horizon of freedom" (ibid., p. 81). Consequently, all life forms share the transcendent nature of gaining freedom from their environment and realizing it with and through each other.

2.2.2 Transcendence

This ontological description of life makes what Jonas means by transcendence clearer. Life is not satisfied by its current state. Life „goes beyond“ itself by being concerned with what will happen in the future. The concern is actuated by want. Needs and desires make living beings strive to fulfil them in the future. Satisfying those needs and desires brings organic continuity to the immediate future. Thus, life extends „beyond“ its own immediacy by facing forward and outward at once.

The forward-facing aspect of life is closely connected to time, while the outwardness refers to space (Jonas, 2001, p. 100). By looking forward in time, the *now* expands into the *future* to satisfy life's needs and desires and continue its biological form. By looking outward in space, the *here* expands into the *there* to relate to the world around it and yield to the necessity of its freedom. Both horizons can be attributed to the temporary relationship of the organic form to its own matter.

For Jonas, looking ahead and being concerned about the future is more fundamental than dwelling on the past. Though some level of memory is needed for all living things to maintain their identity over time, the satisfaction of needs and desires in the future is a fundamental aspect of life's inner workings. It follows „that with respect to the organic sphere, the external linear time-pattern of antecedent and sequent, involving the causal dominance of the past, is inadequate“ (ibid., p. 86). Life is not just a result of what has already happened; it is also what it will be and just becoming. The past and future are intimately connected, and the future significantly shapes the present.

Here, we have arrived at the teleological[3] bottom of the essence of life. For Jonas, teleology „is in the first place a dynamic character of a certain mode of existence, coincident with the freedom and identity of form in relation to matter, and only in the second place a fact of structure or physical organization, as exemplified in the relation of organic parts to the whole and in the functional fitness of organism generally“ (ibid., p. 86). In other words, life happens to be purposeful and directed. It highlights the dynamic nature of living beings and their ability to shape their own destiny rather than being entirely determined by physical causality and past experiences.

[3] Teleology is a philosophical term that refers to an inner purpose, end, or goal of an entity (Britannica, 2024c).

Jonas concludes that this self-transcendence springs from the primary paradox of freedom and necessity inherent in all organisms and promises higher and more comprehensive forms of life (Jonas, 2001, p. 84). By assuming a progressive superposition of strata that encompass dependencies of each higher on the lower and the retention of all the lower in the higher, Jonas apparently follows the idea of the Great Chain of Being.

2.3 The Philosophical Context: Great Chain of Being

2.3.1 Great Chain of Being

In his book, *The Great Chain of Being*, published in 1936, Arthur Lovejoy (1873-1962) traces the cosmological concept of the Great Chain of Being (from Latin *scala naturae*) from Plato through the Middle Ages and the Scientific Revolution to the 19th century. The central assumption is that the universe is a rational order in which nothing is arbitrary or accidental (Lovejoy, 2001, p. 337). In other words, the world is entirely rational and comprehensible for the human intellect. Humans used their intellect as a yardstick to evaluate the universe and its evolvement. As a consequence, the cosmos appeared as a god-given, hierarchical, rigid, predictable, static order. A chain of beings shared in different parts the perfection of a creator (Lombardo, 1982, p. 45).

Humans were placed in the center of the created universe and, therefore, in the center of the chain of created beings. They were equipped with intellect and senses and shared the reason with the higher-located angels. Due to their pure intelligence, the angels could perceive God without needing material senses. Below the human sphere were the animals with whom the humans shared the material limitations. The animals were ordered by their comparative abilities to sense the world. Plants stood at the bottom of the animated spheres, which indicated the growth potential. Like stone and minerals, the animate matter completed the chain and served as the foundation for the cosmic order (ibid., pp. 39-40).



Figure 1: Ladder of Ascent and Descent of the Mind
By Llull, Ramon, 1305, The mediaeval scala naturae.

The hierarchically structured universe, from lower to higher forms of intellect, had social implications. With the development of stratified societies, every person had a specific place in society regarding rank and degree. Nobles and magistrates exercised more apparent intellectual work and used their capacity to reason. Merchants, artisans, and peasants who shared less intellectual activities found their place in the lower ranks of society. The transfer from cosmic to social order had a deterministic component that helped maintain a status quo. „If any [hu]man's place in society is defined by an act of creation, appointing everyone to a place, it follows that the place one finds oneself in is the place in which one is ordained to stay" (Lombardo, 1982, p. 43). A violation of the social order equalled a violation of the cosmos. The fall of the estate societies led to chaotic social circumstances and the rise of a new worldview.

2.3.2 Scientific Revolution

Europe's social, economic, and technological changes in the sixteenth and seventeenth centuries accompanied the Scientific Revolution and the rise of a mechanical worldview. Holding on to the rational and hierarchical cosmos, scientists encountered the natural world with materialistic assumptions and new methods. The so-called „father of modern science," Francis Bacon (1561-1626), was an influential advocate for the mechanical

worldview and promoted the mastery of nature for the benefit of man. His inductive method could best uncover nature's secrets through manipulation, observation, and interpretation of the natural world (Merchant, 1989, p. 164). Bacon further held the opinion that technological advancement has „the power to conquer and subdue [nature], to shake her to her foundations. [Under the mechanical arts,] nature betrays her secrets more fully [...] than when in enjoyment of her natural liberty" (ibid., p. 172). Bacon continued, „so that nature being known, it may be mastered, managed, and used in the services of humane life" (ibid., p. 103). In this way, „the human race [could] recover that right over nature which belongs to it by divine bequest" (ibid., p. 172).

Following Bacon's method, Isaac Newton (1642-1727) discovered some of the most fundamental laws of nature and transformed the whole macrocosm into a machine (Driscoll et al., 2022, p. 39). However, the Platonic structure of the hierarchical cosmos was already broken by the cosmology of Nicolaus Copernicus (1473-1543). In contrast to the geocentric conception of the cosmos, Copernicus advocated the heliocentric hypothesis, which had the Earth revolving around the Sun. In the spirit of heliocentrism, Johannes Kepler (1571-1630) also fostered the mechanization of the cosmos, writing in a letter in 1605: „My aim is to show that the celestial machine is not to be compared with a divine organism, but with a clockwork" (Merchant, 1989, pp. 128-129). Building upon Copernicus and Kepler, Newton formulated the laws of the mechanical „world system" that predicted the orderly motions of both terrestrial and celestial bodies. In his conception, Newton adhered to the characteristic feature of mechanisms that distinguished between the passivity of matter and the externality of force and activity based on Cartesian dualism. Matter consisted of atomic parts separated by empty space. With the complete mechanization of the description of nature, Newton eliminated the concepts of spatial hierarchy, value, purpose, harmony, quality, and form that were central to panvitalistic descriptions of nature. Instead, he left material and efficient causes in the form of matter and force. Motion was no longer an organic process but a temporary state of existence of one body relative to the motion or rest of other bodies (ibid., p. 277).

The rising mechanistic view through the Scientific Revolution influenced how Western people perceived the world. The new worldview was based on the following assumptions:

1. Reality consists of dead, passive, and inert material particles, like machine parts. Movement is possible only through external influence based on God's laws of nature.

2. The universe is a natural order based on the principle of identity. Accordingly, nature is subject to law-like behavior and its phenomena can be reduced to orderly, predictable rules, regulations and laws.

3. Knowledge and information can be abstracted from the natural world. This assumption assumes context independence, which can be achieved through mathematical formalization and modeling. Reality is reduced into a rigid, bounded, and restrictive structural reality that can be described, predicted, and controlled.

4. Problems can be reduced into parts that can be manipulated using mathematics. Information manipulation becomes possible by abstraction from the complicated environmental context.

5. Sense data are discrete and atomic. The senses receive data of reality as tiny particles of information. Accordingly, nature can only be understood if it is first broken down into parts from which information can be extracted as sense data (Merchant, 1989, pp. 228-233).

Based on these five assumptions about the nature of reality, the natural sciences have provided objective, value-free, context-free knowledge about the external world since the seventeenth century. The cosmos, including societies and human beings, was understood as an ordered system of mechanical parts controlled by causal laws and predictable by deductive reasoning.[4] Against this background, Charles Darwin (1809-1882) traveled the world, observed, collected, and categorized various living beings, and established the modern theory of evolution in the nineteenth century.

[4] As we shall see in Chapter 3.1, the rise of a mechanical worldview contributed to the idea of rational agents in economics. Along with other factors such as technological advancements and changes in social organization, the mechanization laid the groundwork for the Industrial Revolution.

2.3.3 Evolution Theory

In the spirit of the mechanic worldview, Darwin published his shaping work *On the Origins of Species* (1859), in which he applied the scientific methods to living beings and provided a mechanical interpretation of life. The metaphysical significance of Darwin's evolution theory lies in the attempt to make the automatism of mechanical nature responsible for the emergence of branching and ascending life forms (Jonas, 2001, p. 53). Darwin succeeded in his attempt by introducing the mechanisms of chance of variation (mutation) and natural selection. This view shifted away from the idea of fixed and unchanging species created by God and suggested that all living organisms share a common ancestry (ibid., p. 44). By shifting the theoretical focus from origins to development, Darwin introduced an ontology of becoming.

Darwin's theory places life, which is evolving, in an organism-environment situation regulated by causality. The organism is exposed to a mutation on one side of the polarity. Mutations occur due to external influences and are seen as disturbances of stability, which implies that „higher" forms of life are not necessarily fundamentally different from their „lower" counterparts. Instead, they are variations that have proven advantageous for survival, even if they might appear as degenerations when viewed in isolation. On the other side, the environment operates on natural selection. The selecting mechanism favors progress based on elimination. Consequently, the mechanical interpretation of selection only accounts for the disappearance of life forms. From that viewpoint, life does not create but evolves through suppression. The emergence of life forms ultimately falls to the random play of aberrations from the patterns, which negates the teleological nature of life and replaces it with the merits of random material (ibid., pp. 50-51).

At this point, it becomes clear how Darwin follows the postdualistic tradition of materialism while ascribing contingency to life. In a mechanical universe governed by causal laws, life appears as an accidental miracle that occurred by pure chance, complete blindness, and utter mindlessness (Krutch, 2009, p. 198). „[I]n the course of millions of years accidental variation and blind chance resulted in useful actions which had sufficient survival value to fix the habits upon the race which happened to practice them and gradually to bring the techniques to perfection" (ibid., p. 56). The evolutionary process turns out to be an unplanned, open-ended, and unpredictable

course that excludes any teleological direction. Thereby, Darwin distances himself from the view that life is the exercise of an autonomous, operating nature. In contrast, life itself seems to be a result and temporary state of a continuous dynamic (Jonas, 2001, p. 45). The structure of the organisms themselves is a product of life. Since more complex structures of life have arisen by chance from simpler ones, their qualities are entirely contingent on a necessary facticity. Species appear as relatively stable, temporarily self-sustaining structures with common ancestry (ibid., p. 49).

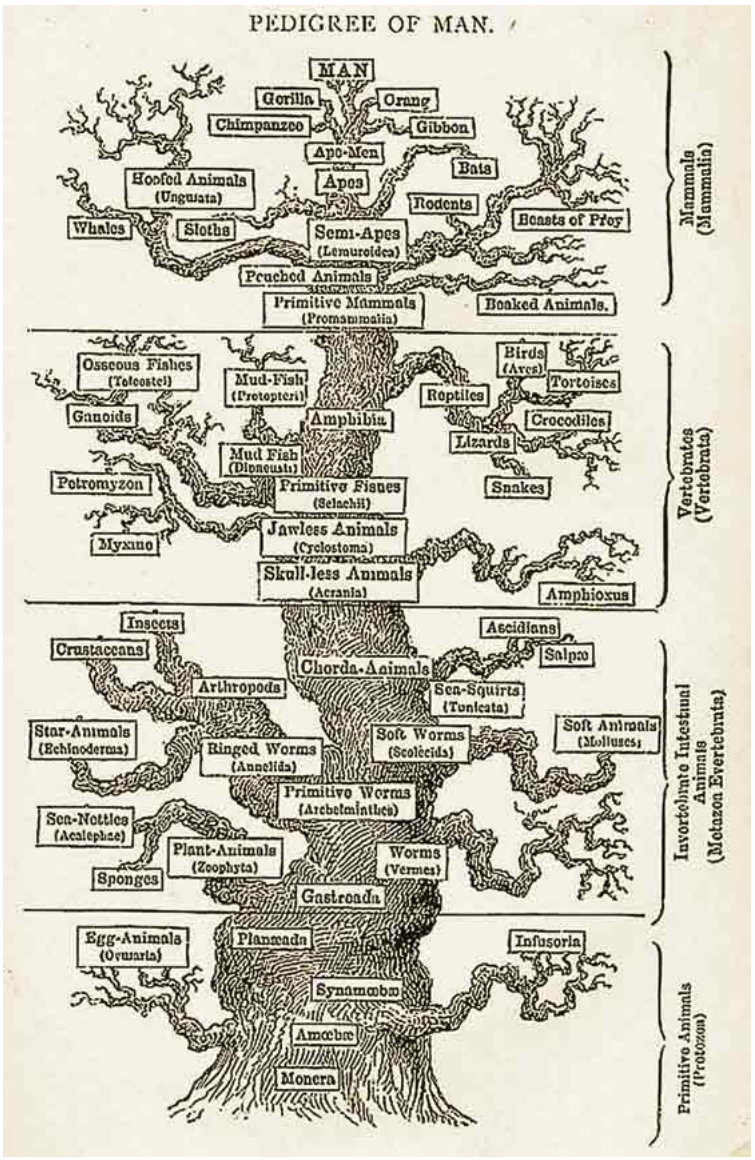

Figure 2: Charles Darwin's Tree of Life

In Dadson, Arthur, 1893, Evolution and religion, London: Swan Sonnenschein.

Darwinism links all life forms together on a tree of life, illustrating the relatedness of all species. Although Darwin was the one who questioned the God-given, static,

and hierarchical order in terms of life, he came to the same conclusion as this former understanding of the cosmos: that humans were the highest living beings on Earth.

2.3.4 Jonas' Philosophical Biology

As we have seen above, Jonas attempts to overcome the dualistic separation between the organism's body and mind and Darwin's mechanical interpretation of life by drawing on an existential-phenomenological approach. Jonas' main criticism of Darwinism is that, on the one hand, the theory only explains life externally and does not consider the inwardness of living beings. On the other hand, Darwin explains the will and desire of an organism with purely physical impulses and the instinct of self-preservation with inertia. Jonas rejects this materialistic description and emphasizes the will and instinct as intrinsic qualities of all life forms (Jonas, 2001, p. 58). For these reasons, Jonas states that „the organic even in its lowest forms prefigures mind, and that mind even on its highest reaches remains part of the organic" (ibid., p. 1). Consequently, all living beings have a mind. In addition to this inner horizon of organisms, Jonas ascribes a teleological character to life. By transcending themselves, living beings have been evolving in different stages on an ascending scale. „Independently of the story of its genesis, the manifold of existing life presents itself as an ascending scale in which are placed the sophistications of form, the lure of sense and the spur of desire, the command of limb and power to act, the reflection of consciousness and the reach for truth" (ibid., p. 2). Through the creation of higher forms, life grows mediacy between the bare physical and the organisms. The evolutionary increase in the distance between organisms and the environment is reflected in categorizing plants, animals, and humans.

Plants are *living bodies* with an inner horizon, subjectivity, and mind. They are physically located in a mere *environment* which „is nothing but the immediate surroundings with which the chemical interchanges of metabolism take place" (ibid., p. 102). The bordering matter and impacting forces still form one functioning context with the plant. The embedded plant must permanently satisfy its organic needs to sustain its form. The metabolic process works by dissolving nutrients through mere osmotic absorption. „By [the] ability to synthesize inorganic matter directly into organic compounds the plant is enabled to draw its sustenance from the ever-ready

mineral supply of the soil“ (Jonas, 2001, p. 103). Since the roots are constantly connected to the environment, no desire is required to fulfil its needs. The plant's vital activity equals the mode of satisfaction. Moreover, due to its permanent and direct connection to the source of supply, the plant does not need or have the possibility of movement. No further features are required to operate the metabolic dynamics, change matter, and renew the organic form. This form of metabolism is the basic vegetative form of outwardness. It implies a dynamic identity and continuity (ibid., p. 183).

Animals have grown mediacy to their environment through motility, perception, and emotion (ibid., p. 99). All three aspects imply distance. Through the modes of perception, striving, and action, the animals' environment constitutes itself as a *world* in and with which they act (ibid., p. 105). In this world, animals encounter discrete, self-contained objects which are perceived, desired, reached, and acted upon. At this vegetative level, solid food intake is accompanied by tools in the form of conveyance and shredding before metabolic processing. Thereby, „the animal has to depend on the unassured presence of highly specific and nonpermanent organic bodies“ (ibid., p. 103). These resources are obtained from plants and broken down by animal metabolism. In that sense, „[t]he animal, feeding on existing life, continually destroys its mortal supply and has to seek elsewhere for more“ (ibid., p. 105). The appetition for more is the essential condition of motility. The animal's desire, need, want, demand, or goal causes them to pursue external objects. In order to attain their ends, animals must turn outward and forward. They face outward to their world by perceiving other objects in space and face forward by satisfying their needs and desires in time. Guided by perception and driven by emotions, animals move their bodies through the circumstances of the world (ibid., p. 101). „The great secret of animal life lies precisely in the gap which it is able to maintain between immediate concern and mediate satisfaction, i.e., in the loss of immediacy corresponding to the gain in scope“ (ibid., p. 102). Equipped with motility, perception and emotions, animal beings overcome the distance between urge and attainment and turn desire into fulfilment. Without the distant necessity of supply, no desire or emotion was needed. The evolutionary achievements of animals, however, come with a risk. Animals are forced to go out in the world and seek their food. At this stage of vegetative

metabolism, fear enters the experience of a living organism. On the one hand, the animal might be unsuccessful in acquiring food. On the other hand, they might also be prey to other animals. The uncertainty of success in sustenance and survival accounts for the potential characteristic of being and not-being, which is especially true for flesh-eaters whose food is also motile. Hence, flight and survival stand behind the unstable animal life, which opens the door for enjoyment and suffering. „The two evolve together, and the liability to suffering is not a short-coming which detracts from the faculty of enjoyment, but its necessary complement“ (Jonas, 2001, p. 105). If the animal is successful in their actions, they experience enjoyment; if they fail, they suffer. The ability to enjoy and suffer adds new values and ends to the lived experience of an *organic being* (ibid., p. 104).

You could slightly change the next sentence re viewing through a filter, to add something about seeing things at a deeper (meta?) level. You do later say that this adds symbolic meaning, but adding that 'deeper level' idea reiterates that this lens/filter is not a bad thing, but can be a good thing. This isn't a required change, just something to consider.

The human image-making represents a further stage of the ascending scale of life forms. By using abstracted mental representations, humans develop even more distance between an organism and the world (ibid., p. 184). This new layer involves expanding perception through ideas and inserting manipulable concepts between the senses and the actual object. As a result, cognitive abilities, such as language, concepts, and theory, make human beings stop seeing things as they are. Instead, they view objects through a filter of mental representations shaped by past experiences with similar objects. These mental images combine with what a human perceives, adding symbolic meaning derived from previous experiences and influenced by the new encounter (ibid., p. 185). This capacity allows humans to understand the world at a deeper level. In other words, when the actual object is not present for direct perception, the abstracted images then serve as material for an experience. This evolutionary feature allows for the abstraction of geometrical form, rational thinking, and technology (ibid., p. 174). The human experience not only brings more freedom into life by creating images but also by being able to experience truth. „[T]he capacity for truth presupposes the capacity to negate[.] [T]herefore only a being that can entertain negativity, that can say „no,“ can entertain

truth“ (Jonas, 2001, p. 175). For this reason, Jonas sees freedom as a condition for truth. The experience of truth is thus the evidence and exercise of a certain kind of freedom that other living beings do not share. Ultimately, the new evolutionary achievements come with the ability of self-reflection. The individual becomes the object of one's perception and has the possibility of a deeper self-understanding. This self-objectification leads to the formation of the „I“ and the continuous evaluation of one's inner state and outward behavior. Whether a human wants to or not, he or she lives in agreement or conflict, acceptance or defiance, compliance or rejection, or with a good or bad conscience (ibid., pp. 185-186). Jonas summarizes the evolutionary adventure of life, which leads to a greater distance between organism and environment and results in the human experience, as follows:

> „As human satisfaction is different from animal and far surpassing its scope, so is human suffering, though man also shares [...] the animal range of feelings. But only man can be happy and unhappy, thanks to the measuring of his being against terms that transcend the immediate situation. Supremely concerned with what he is, how he lives, what he makes out of himself, and viewing himself from the distance of his wishes, aspirations, and approvals, man and man alone is open to despair. [...] Suicide, this unique privilege of man, shows the ultimate manner in which he can become the object of himself. It is in the gulf opened by this confrontation of oneself with oneself, and in the exercise of the relation which in some way or other always has to span the gulf, that the highest elations and deepest dejections of human experience have their place. [...] [R]eligion, ethics, and metaphysics are attempts, never completed, to meet and answer the question within an interpretation of total reality. With the emergence of this possibility, history succeeds to evolution, and biology cedes the field to a philosophy of mankind.“ (ibid., pp. 186-187)

In summary, Jonas defines the *organic body* as an ontological unit of his philosophical biology. As a *living body*, the individual detaches itself from the surrounding dead matter through metabolic processes. It sustains its organic form and gains freedom by taking up, processing, and emitting matter. Even at the level of single-celled organisms, individuality is an expression of freedom in that a form preserves its identity by changing its matter (ibid., p. 106). While the freedom of the organic existence is balanced by necessity, its autonomy is balanced by dependence. The attained selfhood faces its counterpart in the otherness of the world. As living beings develop motility, perception, and emotions, they grow more distant from the material

world and face increased risks. With growing awareness comes the potential for satisfaction and the fear of loss. „On these counts“, Jonas writes that

> „the plant shows a superiority rather than a deficiency in comparison with animals. [...] We note here that independence as such cannot be the ultimate good of life, since life is just that mode of material existence in which being has exposed itself to dependence (of which metabolism itself is the prime form) in exchange for a freedom closed to the independence of stable matter. The attainment of a highly satisfactory independence within the sphere of metabolism may thus close avenues of evolution into which that freedom would otherwise, at the price of increased dependence, move.“ (Jonas, 2001, p. 103)

This is why Jonas finds the survival standard of Darwinism inadequate. Life is not evolving in a way that increases living beings' chances of survival. The evolution of life has been increasing the freedom of living beings by inventing new features and simultaneously increasing the risk of survival.

As we have seen, Jonas converts the mechanical interpretation of life into an existential phenomenon. In this conceptualization, the evolution of life consists of an intrinsic horizon, transcendence, and purpose. All life forms possess a mind, a will to live, and a pursuit of freedom.

2.3.5 Critical Analysis of Jonas

Jonas's philosophical achievement lies in overcoming both the dualistic split in Western thought and Darwin's mechanical interpretation of life. He succeeds in his attempt by taking an existential-phenomenological stance. Life appears to be a phenomenon encompassing an external (body) and an internal (mind) component. Both are expressions of a *body-mind-unity* or, as Jonas calls it, *living body*. It indicates the physical and mental interdependence and comprehends the organism as a whole system. This organic unity has a will to live, is directed towards freedom, and transcends. It is in a constant state of becoming, and as such, the evolutionary process evolves contingently, unpredictably, and with an open-ended nature. Life itself appears to be a result and temporary state of a continuous dynamic.

Before we continue finding an interpretation of life that suits the thesis' purpose, one last step has to be taken. In line with Alfred North Whitehead's (1861-1947) speculative

understanding of philosophy,[5] abstracted concepts must always be based on human experience and not be used as a basis for statements about reality (Whitehead, 1988, pp. 53-55). To avoid the fallacy of misplaced concreteness that has been unconsciously practized in the natural sciences and philosophy since the 17th century, I will challenge Jonas' abstract conceptualization of life by contrasting current research in microbial ecology, plant biology, animal biology, and evolutionary cognition. Even though it may be clear, it is worth mentioning that the „current research" presented does not represent an all-inclusive voice based on water-proofed facts. Science encompasses a variety of schools of thought which set different assumptions, use different methods, and might come to contradictory conclusions.

My main criticism against Jonas' philosophical biology is the ascending scale of life developing from plants over animals to humans. Jonas continues the narrative of the Great Chain of Being by using these categories and assuming a successive sequence from lower to higher forms of life. While Jonas dedicates a whole chapter to drawing connections between existentialism and Gnosticism, his Jew-Christian background and, hence, the idea of a divine order of things become evident by the following quote:

> „The image of man never leaves him, however, much he may wish at times to revert to the bliss of animality. To be created in the image of God means to have to live with the image of man. That image is worked out and entertained in the verbal intercommunication of society, and thus the individual finds it ready-made and thrust upon him." (Jonas, 2001, p. 186)

Against this background, Jonas describes how life has been evolving from plants, who[6] do not move and desire due to their attachment to their *environment*, to animals, who move, perceive, and desire external things in their surrounding *world*, and humans, who imagine, reflect, and seek truth. Each stage of development comes with new qualities that represent further steps towards freedom, i.e., distance from the bare physical. This view seems to be underexposed when considering more recent developments in theories concerning the evolution of life.

[5] „Speculative Philosophy is the endeavour to frame a coherent, logical, necessary system of general ideas in terms of which every element of our experience can be interpreted. By this notion of 'interpretation' I mean that everything of which we are conscious, as enjoyed, perceived, willed, or thought, shall have the character of a particular instance of the general scheme" (Whitehead, 1988, p. 3).

[6] Jonas' existential-phenomenological approach extends consciousness, mind, and subjectivity from the human experience to that of all living beings. Therefore, I will use the terms *who* and *they* instead of *that* and *it*.

The microbiologist and biophysicist Carl Woese (1928-2012) rewrote the Tree of Life by describing three domains of life: Bacteria, Archaea, and Eukarya. Bacteria contain regular old bacteria, Archaea contains the most ancient organisms, and Eukarya contains all other life forms, including fungi, plants, and animals (Montgomery and Biklé, 2015, p. 39). In this categorization, humans *are* animals. The plant and animal kingdoms appear as two of the many branches of life's tree. Most abundant and widely distributed are microbes. Microbes are organisms smaller than a tenth of a milimeter and mainly members of Bacteria and Archaea. They comprise about half the mass of all living beings and have existed for over 3.6 billion years. Microbes are to be found on every natural surface, in every drop of water, and on every grain of sand, which makes them the most successful species in the competitive narrative of the evolution of life (ibid., pp. 21-22).

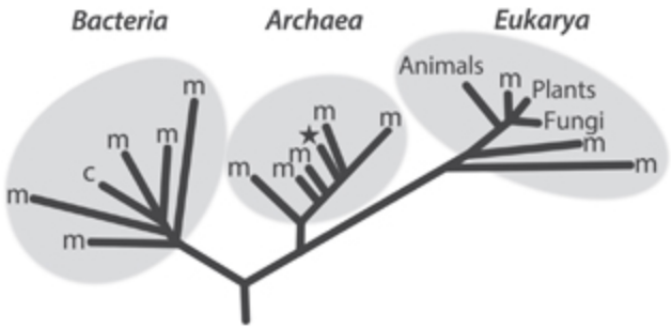

Figure 3: Carl Woese's Tree of Life
Montgomery, David R. and Anne Biklé, 2015, The Hidden Half of Nature, New York and London: W.W. Norton and Company

Without going into too much detail about micro-organic evolution, it seems that an archaeon merged with a swimming bacterium around 2 billion years ago. Their union created a composite life form, the first eukaryotic cell, that initiated the evolution of early single-celled life into more complex life. While the archaeon gained mobility, the swimmer gained protection and a reliable source of food, namely the metabolic products of the archaeon. This new organism created protists (single-celled life forms), amoebas, and algae. Around 1.2 billion years ago, protists entangled with new oxygen-using bacteria. This merge created a new organism that was able to live off of oxygen. It represents the common ancestor of animals and fungi. Three hundred million years later, the oxygen-using organism joined with a cyanobacterium that harvests the Sun's

energy through photosynthesis. This third microbial merger gave rise to plants. Thus, eukaryotic cells and multicellular life emerged from the physical union of free-living microbes (Montgomery and Biklé, 2015, pp. 42-48).

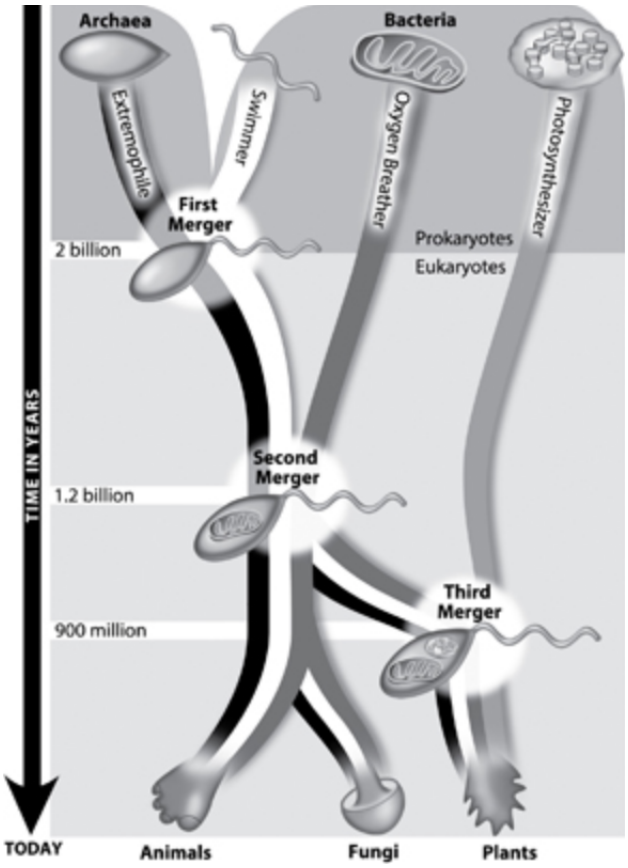

Figure 4: Microbial Mergers

Montgomery, David R. and Anne Biklé, 2015, The Hidden Half of Nature, New York and London: W.W. Norton and Company

Eukarya domain organisms differ from Bacteria and Archaea organisms because they have cells containing membrane-bound organelles, including a nucleus, and typically have more complex cellular structures (Dawkins, 2005, p. 445). Since all animals and plants are classified as Eukarya, we will continue the evolutionary journey on the eukaryotic branch of the tree of life and look closely at Protozoa and Volvox. A well-known example of a protozoan is Amoeba, once considered close to the ancestor of all life (ibid., p. 460). Protozoa contains at least fifteen to twenty thousand kinds with widely differing structure, physiology, and habits of life, including aquatic and terrestrial habitats. They are classified based on their movement mechanisms, feeding methods, and habitat preferences. Even at this micro-level, Protozoa organisms have

remarkable functions. For example, they can move without muscles, digest without stomach, take in oxygen without lungs, and exchange portions of chromosomes quite as effectively as most larger animals (Krutch, 2009, p. 5). Volvox is also a type of green algae that belongs to the domain Eukarya. They can be seen as colonies of one-celled individuals or multicellular organisms that perform photosynthesis, like plants. However, Volvox colonies are neither plants nor animals. They are simply alive. The colony consists of numerous individual cells forming a circle around the center. Equipped with a pair of hairlike whips, the cells revolve and move forward as a group. The organism manages to coordinate hundreds of whips to a common goal (ibid., p. 16). Besides the two whips, each peripheral cell has a nucleus and an eye spot. By possessing a sensible spot of vision, Volvox colonies can sense the direction of light and adjust their movement accordingly. This sensitivity to light allows them to navigate their environment (ibid., p. 26). These features show how Volvox colonies coordinate large amounts of specialized cells and allow the entire colony to function as a single unit (ibid., p. 25). Here, we can already see flaws in Jonas' ascending scale of life forms. Jonas states that life has developed the abilities of motility and perception only in animal life. Both organisms of Protozoa and Volvox already show tendencies of sensing, moving, and acting in the *world*.

I would like to further dissolve Jonas' line of the plant-animal-differentiation by presenting two more examples. One relates to the motility of animals and the other one to the perception of plants. First, the statement that animals have the ability to motility is not accurate. As animal biology indicates, several sea animal species are bound to the seafloor. Sea squirts (Dawkins, 2005, p. 267), corals (ibid., p. 388), sponges (ibid., p. 400), barnacles (ibid., p. 360), among others, live their entire lives attached to the ground and are unable to move freely. They are called sessile organisms. Second, plant biology suggests that plants are aware of the world around them. They perceive the same red and blue wavelengths that humans do, as well as ultraviolet and infrared light, which is invisible to the human eye (Chamovitz, 2013, p. 5). The tip of a plant's shoot senses the incoming light and transfers the information to the plant's midsection. Based on the information, the plant grows or bends in specific directions (ibid., p. 10). Even though the plant „sees“ a larger spectrum than humans do, they do not process the information in pictures. However, the plant geneticist

Daniel Chamovitz (1963) thinks plants can see if someone comes near them, stands over them, and wears a blue or red shirt (Chamovitz, 2013, p. 5). Plants need to be aware of the direction, amount, duration, and color of light in order to survive (ibid., p. 19). These examples suggest that Jonas' categories, *plant* and *animal*, are neither mutually exclusive nor jointly exhaustive regarding *perception* and *motility*. Plants are not just embedded in the bare *environment*, which, Jonas claims, is „nothing but the immediate surroundings with which the chemical interchanges of metabolism take place" (Jonas, 2001, p. 102). Plants perceive the *world*, are aware of other living beings, and act accordingly. Moreover, motility is a capacity that is neither exercised only by animals nor by all animals. Ultimately, motility and perception seem to be inherent in microorganisms. Suppose we state that the little eye-spot of Volvox organisms is an expression of perception, and plants are able to see. In that case, one might legitimately raise the question: „How can these microorganisms and plants perceive the world if they do not possess specialized eyes and a nervous system like animals do?" This question leads us to animal-human differentiation and the field of evolutionary cognition.

Jonas stresses that image-making, self-reflection, and truth-seeking are the only features in the human experience. Evolutionary cognition scientists traditionally shared this view, which strongly emphasized abstract thought and language (De Waal, 2016, p. 4). Undoubtedly, these features are particularly pronounced in humans. However, in the larger scheme of cognition, it is only one way of facing the struggles of life. Hence, the field of evolutionary cognition has been experiencing a shift from the idea that there is only one single form of cognition, that is, human cognition, towards the idea that species have developed different cognitive capacities depending on their ecological context (ibid., p. 154). The primatologist and ethologist Frans de Waal (1948) explains that, of course, „some cognitive principles are common to all organisms, but we don't seek to downplay variation between species with lifestyles, ecologies, and Umwelten as different as, say, a dolphin and a dingo or a macaw and a monkey. Each one faces its own specific cognitive challenges" (ibid., p. 207). By acknowledging various cognitions developed in different contexts, the linear scale of evolution loses its accuracy. De Waal highlights that „the scala naturae view has tempted many to conclude that animals lack certain cognitive capacities" (ibid., p. 9). This conclusion set human cognition

as the yardstick of the comparison. But the comparison is not between humans and animals. For example, a comparison between humans and dolphins compares one animal species with another. Since humans *are* animals, human cognition is only a variety of animal cognition (De Waal, 2016, p. 3).

> „Many animals have cognitive achievements in common. The more scientists discover, the more ripple effects we notice. Capacities that were once thought to be uniquely human, or at least uniquely Hominoid (the tiny primate family of humans plus apes), often turn out to be widespread. Traditionally, apes have been the first to inspire discoveries thanks to their manifest intellect. After the apes break down the dam between humans and the rest of the animal kingdom, the floodgates often open to include species after species. Cognitive ripples spread from apes to monkeys to dolphins, elephants, and dogs, followed by birds, reptiles, fish, and sometimes invertebrates.“ (ibid., p. 55)

Jonas particularly highlights that humans' ability to create mental representations enables them to reflect on their own selves, see themselves as objects, and eventually create a sense of self-awareness. As mirror experiments indicate, chimpanzees, Rhesus monkeys, bottlenose dolphins, and elephants show self-awareness, too, by recognizing themselves in mirrors (Veluw and Chance, 2014, p. 35). In addition, De Waal points out that other experiments on the sense of agency suggest that there are also other forms of self-awareness than recognizing oneself in a mirror. Bats and dolphins recognize the echo of their own voices among the sounds made by others, for instance (De Waal, 2016, p. 184). These examples show that even if other animals did not evolve the same cognitive ability of imaging, the capacity for self-awareness also emerged in other species. That is why De Waal rejects a linear scale of cognition. A cognitive capacity can be developed in different contexts by different species for different reasons (ibid., p. 58).

This is why comparisons of specialized capacities between species do not seem to be fruitful. „Instead of turning the study of cognition into a contest, we should avoid putting apples next to oranges. The octopus's senses and anatomy, including its decentralized nervous system, make it unparalleled“ (ibid., p. 191). Each octopus has nearly two thousand suckers on their arms which are equipped with half a million neurons each. The suckers can be seen as mini-brains that take decisions and actions individually. In addition, an octopus can detect light with its cephalopod skin (ibid.,

p. 190). How does it, therefore, make sense to compare „an organism with seeing skin and eight independently thinking arms“ (De Waal, 2016, p. 191) with an organism with seeing eyes and a central thinking brain?

To conclude the question of how Volvox colonies and plants can „see,“ I would like to stress that there are different ways of sensing electromagnetic radiation. Among most other vertebrate animals, humans perceive light through specialized eyes, octopuses through their skin, plants through the tip of their shoot, and Volvox organisms through the little eye-spot on their peripheral cells. Against the background of the current developments in evolutionary cognition, animal biology, plant biology, and microbial ecology, it did not seem appropriate to make measurements based on human standards. By doing so, we ignore an immense variation of organisms' capacities and circumstances (ibid., p. 8). Instead, we should evaluate other species by what they are. De Waal summarizes:

> „If there is one overall trend in [the field of evolutionary cognition], it is that the wall between human and animal cognition has begun to resemble a Swiss Gruyère full of holes. Time after time we have demonstrated capacities in animals that were thought to set our species apart. Proponents of human uniqueness face the possibility that they have either grossly overestimated the complexity of what humans do or underestimated the capacities of other species.“ (ibid., p. 205)

Even though his philosophical biology overcame both Cartesian dualism and Darwin's mechanical interpretation of life, Jonas conceptualized life in the narrative of the Great Chain of Being. As current research indicates, the ascending description of life from plants to animals to humans has flaws. For this reason, I will present a philosophical interpretation of life grounded in Jonas' ontology that moves beyond human exceptionalism.

2.4 A Philosophy of Biology: Phenomenon of Life

This chapter attempts to present a philosophical interpretation of life that does not place the human species at the top of evolution. Jonas' ontological unit of a *living body* serves as the point of departure. After expanding his existential-phenomenological approach by adding the relational ontology of Indigenous philosophy, we will see how interconnected all species are. To this end, I will present information on ecology, microbiology, soil science, environmental science, and Earth system science. In the last step, Jonas' ontological unit of an individual *living body*, that is, a single organism, will be transcended to a *collective living body*, that is, Life itself.

2.4.1 Ontological Grounds

Our point of departure is Jonas' existential-phenomenological interpretation of life. While existentialism and phenomenology describe the human experience only, Jonas expands their theoretical application to all organisms. The existential component makes the organism concerned about their freedom. The freedom of an organism takes place in specific contexts characterized by the organism's body and their life circumstances and experiences. The phenomenological component introduces the mind and experience of an organism. The contextual relationships to other things in the world form the organism's experience and subjective meaning. The world appears as a relational setting in which the organism is formed and interacting. On that existential-phenomenological grounds, a *living body* appears as a *body-mind-unity*. The physical and mental are interdependent. Both are necessary for the whole system to exist. All organisms have, therefore, a will to live, are directed towards freedom, and transcend themselves. Moreover, they are in a constant and contingent state of becoming. Jonas effectively highlights the processual facets of a *living body*. The relational aspects, however, come too short. To better understand the interconnected component of *living bodies*, I will draw on Indigenous philosophy.

It is important to note that there is no general Indigenous philosophy. All Indigenous cultures have their unique ways of knowing and thinking. However, there are common ideas and fundamental assumptions in many Indigenous cosmologies. One basic commonality is the concept of relationality. Based on relationality as an ontology, the cosmos appears as an interconnected, constantly changing world. Nothing exists

outside of relationships (Yunkaporta, 2020, p. 150). All things and all relations are constantly undergoing processes of transformation, deformation, and restoration (Little Bear, 2012, p. 521). These processes run in eternal cycles of renewal. The fabric of relationships runs in petal-like waveforms from outside to inside, expanding, contracting and reproducing itself in an infinite, stable pattern. In that relational process, nothing is created, nor is something destroyed. The web of relations is simply moving and changing (Yunkaporta, 2020, pp. 38-45). Reality can be hence understood as a process of relationships (S. Wilson, 2008, p. 73). A *living body* is then not only experiencing the world and concerned about freedom as an isolated individual, but is „caught up in the world“ (Stanford_Existentialism, 2023). Relationality underlines the existentialist view that the self and world are a single entity. All organisms are, therefore, manifestations in a web of countless relationships coming from the past, present, and future (S. Wilson, 2008, p. 76). All parts of the fabric interpenetrate and mutually depend on one another (Moreton-Robinson, 2017, p. 71). Since all knots of connection are reflections of the greater universal whole, we can say that all organisms *are* the universe, and the universe *is* them. In that way, all is related (Cajete, 2000, p. 60). For the purpose of the thesis, we will focus on how all *living bodies* are related.[7]

2.4.2 Fabric of Life

Our brief and incomplete journey through the interdependent relationships of all life starts with the smallest forms of life in the ground. The Earth's soil is home to many thousand species, such as mites, springtails, beetles, worms, fungi, and other microbes such as bacteria and archaea. These soil organisms can process organic matter, which provides essential nutrients for other organisms (Montgomery and Biklé, 2015, p. 1). Microbes use acids and enzymes until simple compounds of carbon, nitrogen, and hydrogen remain. However, microbes do not kick off the process of stripping useful nutrients out on their own. Worms, for example, have a gizzard between their mouth and stomach that contains tiny pieces of rock. They use this to crush matter into smaller and smaller particles. The product is released into the soil once the crushed

[7] We note and recognize that, according to Indigenous views, the human being is not only made up of a body-mind-polarity. Indigenous peoples holistically see humans with a body, mind, spirit, and emotions (Moreton-Robinson, 2017, p. 73). In addition, the world was created by spiritual entities and forces. That is why all created things are animated and have a spirit (Cajete, 2000, p. 64),(S. Wilson, 2008, p. 90),(Little Bear, 2012, p. 521).

materials have been mixed. Microbes help the worms digest their food. Bacteria live inside the worm, breaking down rock minerals and organic material into nutrients that the worm can absorb and release. Meanwhile, smaller mites and springtails chew dead leaves and leave behind microscopic organic pieces, which, together with moist, nutrient-rich faecal pellets, provide a meal for bacteria and fungi (Montgomery and Biklé, 2015, p. 69). As every living thing in the soil eventually becomes a meal for something else, fertile soil is created in an endless cycle of eating, excretion, and dying from which new life springs. In this way, microbial communities break down material, purify the water, and renew soil fertility (ibid., p. 19).

> „[Microbes'] metabolic by-products form essential cogs of our biology. And the tiniest creatures on Earth forged long-running partnerships with all multicellular life in the evolutionary fires of deep time. All around us they literally run the world, from extracting nutrients plants need from rocks, to catalyzing the global carbon and nitrogen cycles that keep the wheel of life turning." (ibid., p. 4)

Fungi are essential to keep Earth's nutrient cycles going, too. Their union with algae and bacteria enabled life to populate Earth's surface about 500 million years ago (Sheldrake, 2020, p. 2). Fungi can break down some of the most stubborn substances and are responsible for turning dead matter back into living bodies. They excrete metabolic products that feed other soil organisms, which in turn serve as food for other soil organisms. Certain species of fungi have specialized in eating dead wood. Their chemical abilities enable them to slowly break down the long chains of highly durable, carbon- and hydrogen-rich molecules that make up wood (Montgomery and Biklé, 2015, p. 69). As the largest life forms on Earth, fungi form subterranean networks that extend for miles. They are able to build a wide variety of relationships with other living beings. These mycelial networks can solve complex spatial problems by transporting water and nutrients within ecosystems. They play an active role in the distribution of nutrients. Fungi have some degree of control over whether they reward more cooperative plant partners or hoard minerals in their tissues. These active transport systems allow fungi to move material in all directions through their networks regardless of the gradient between source and sink (Sheldrake, 2020, p. 156).

> „[Fungi] are eating rock, making soil, digesting pollutants, nourishing and killing plants, surviving in space, inducing visions, producing food, making medicines, manipulating

> animal behavior, and influencing the composition of the Earth's atmosphere." (Sheldrake, 2020, p. 1)

Without the interactions of microbes and fungi, plants could not have emerged on Earth's land. By breaking down organic matter and recycling nutrients, they transform matter into a store of plant nutrients. But microbes and fungi not only break down material; they are also suppliers and distributors of nutrients, trace elements, and organic acids that plants need. Since plants do not take up organic matter directly, they depend on the metabolic products of these organisms. For example, over ninety percent of plants depend on mycorrhizal fungi (ibid., p. 2). Most plant species harbor fungi in their root systems. The fungi are specialized in absorbing phosphorus and other chemical nutrients from the soil. While the mycorrhizal fungi release some of these vital substances to their host plants, the plants return the favor with protection and carbohydrates. Plants that cooperate with fungal partners have twice the amount of life-giving nitrogen and phosphorus than plants that tap the soil with their roots alone (Wohlleben, 2015, p. 46). In addition, fungi, like other microbes, contribute significantly to the health and survival of plants. Plants that are not associated with fungi grow more slowly and are more likely to die. Some symbioses are so strong that neither the plant nor the fungus can live without the other (Montgomery and Biklé, 2015, pp. 69-70). But mycorrhizal fungi not only help plants to obtain their vital nutrients, they also support the soil organisms in improving and ensuring soil quality. Their underground networks of hyphae make the soil significantly more resistant to erosion and considerably improve water infiltration (ibid., p. 81). These positive effects on soil improve the productivity of plants and their resilience in periods of drought.

> „The history of life turned out to be full of intimate collaborations. Most plants, I learned, depend on fungi to provide them with nutrients from the soil, such as phosphorus or nitrogen, in exchange for energy-giving sugars and lipids produced in photosynthesis. The relationship between plants and fungi gave rise to the biosphere as we know it and supports life on land to this day." (Sheldrake, 2020, p. 9)

Plants obtain the most important nutrients they need to grow from air, water, rocks, and organic matter in soil. They receive carbon and nitrogen from the atmosphere, hydrogen and oxygen from water, and other rock nutrients. Once these nutrients have entered the nutrient cycle of life, plants can take them up from humus, which is

decomposed organic matter formed by soil organisms. In the same way plants cannot break down organic material in humus, they cannot directly obtain all the nutrients they need from the atmosphere, water and stones (Montgomery and Biklé, 2015, pp. 51-52). They rely on soil organisms. One way in which nitrogen, for example, enters the nutrient cycle is through the cooperation of certain plants with nitrogen-fixing bacteria. Plants release nutrient-rich exudates into the soil to attract beneficial bacteria to their roots. These bacteria live in their root nodules and convert atmospheric nitrogen into ammonia, which is then used by the plant for growth (ibid., p. 56). After the plant has died, microbes reintegrate nitrogen again into the nitrogen cycle through a process called mineralization. Nitrogen from the decaying organic matter in the soil is converted into water-soluble ammonium or nitrate. This process makes nitrogen available for plants to drink up in soil water. In this way, the nitrogen supply and other life-sustaining nutrients that circulate in the biosphere have developed over millions of years. Therefore, maintaining nutrient cycles is only possible by cooperating with plants and microorganisms (Wohlleben, 2015, p. 8). For this reason, every plant is inhabited by a community of microorganisms. The community of microorganisms is called the microbiome. The microorganisms populate a plant's roots, leaves, shoots, fruits and seeds. In this way, plants obtain the nutrients they need, which they can also pass on to other plants, and receive signaling substances to protect themselves from attack.

> „The bottom line is that the interactions between plants and soil life - especially bacteria and mycorrhizae fungi - are far more intricate than previously imagined. Plants actively push nutrients out into the rhizosphere to feed particular microbes that help protect plants from pathogens or usher key nutrients into their roots. In fact, the entire plant microbiome operates much like an ecological pharmacy for its host, helping to keep the currency of life circulating." (Montgomery and Biklé, 2015, p. 81)

Just like plants, animals are populated by a multitude of microorganisms. From a microbe's perspective, the human body, for example, provides many different ecosystems to live in, both inside and outside, such as the skin, toes, ears, eyes, genitals, lungs, and gut (ibid., p. 96). A human's gut in the Western world contains about 1,000 species of bacteria and many different strains, which means that there are more bacteria in a person's gut than there are stars in the Milky Way (Sheldrake, 2020, p. 14). The human body, in total, consists of more than three times more bacteria

cells than human cells (Montgomery and Biklé, 2015, p. 96). The bacteria and fungi enable humans to digest food and produce vital minerals. They protect against disease, control the immune system, and influence behavior (Sheldrake, 2020, pp. 14-15). The cow is another example of how animals depend on microorganisms. Cows are one of the few species that can live on grass. They cannot do it alone, though. Specialized microbes living in a cow's gut make enzymes to break down cellulose. The cow eats the grass, chews it up fine enough for the microbes to digest, and then feeds them. During this process, microbes produce a lot of methane. In other words, cows eat grass to feed their internal microbial fermentation tank. In turn, they live off microbial fermentation products and the microbes themselves (Montgomery and Biklé, 2015, pp. 23-24).

> „Consider the many microbial landscapes composing our bodies - from the river valley of our gut, to forests of hair, dry toenail deserts, and the skies of our eyes. These places have a multitude of interacting inhabitants and are as dynamic as any other ecosystem on Earth. They are also subject to the routine natural processes that occur in visible ecosystems - cycles of resource abundance and scarcity, catastrophes, predator-prey relationships, temperature and moisture gradients, and so on." (ibid., p. 104)

Before we take the next step in understanding the interconnections and interdependencies between organisms, species, and life-sustaining conditions on Earth, I want to highlight that these relationships do not necessarily imply peace and harmony. Microorganisms, including bacteria and fungi, not only provide conditions for larger organisms to live and support maintaining their metabolic processes, but they can also cause disease and even kill animals and plants (Sheldrake, 2020, pp. 14-15). Symbiotic relationships come with a certain amount of self-interest. While a community of microbes assists their host with obtaining food and defending against foes, in return, they obtain a safe space rich with regular sustenance to reproduce and live the microbial good life (Montgomery and Biklé, 2015, p. 191). On the other hand, joining a mycelial network does not necessarily result in a beneficial relationship for plants. Fungi may trade nutrients preferably with larger partners with more abundant carbon sources and stronger sinks for soil minerals (Sheldrake, 2020, p. 158). Fungi can also weaken or even kill trees by causing root decay and reducing the tree's ability to uptake water and nutrients in search of edible tissue (Wohlleben, 2015, p. 46). Some plant species produce chemicals that also restrict or kill plants growing nearby

(Sheldrake, 2020, p. 158). But there is not only a cross-species competition. Each tree species, for example, tries to optimize its space in order to obtain more light and water than other tree species. This competition can result in the displacement of other tree species (Wohlleben, 2015, p. 45). As we know from the animal's food chain, individual members or groups of members of a species compete with each other for their food. All animals feed either directly or indirectly on living or dead organisms and might be prey for others (ibid., p. 45).[8]

> „The environmental systems on which we depend are founded on cooperation as much as on competition. Symbiotic relationships are not the outliers that textbooks portray. Diversity nested in cooperation creates dynamic systems that can stand the test of time." (Montgomery and Biklé, 2015, p. 194)

All living organisms are expressions of Earth's biodiversity and determine the shape of ecosystems and how they function. As microbes, fungi, plants, and animals share space, the unique composition of all living beings forms forests, meadows, wetlands, peatlands, and tundra. The biological diversity allows ecosystems to keep doing what they do (Rockström and Gaffney, 2021, p. 81). A large variety of different species provide the same function to sustain their ecosystems. Species produce food (Montgomery and Biklé, 2015, p. 191) (Sheldrake, 2020, p. 1), provide shelter (E. O. Wilson, 2001, p. 291) (Kolbert, 2014, p. 136), support reproduction (Rockström and Gaffney, 2021, p. 81) (Montgomery and Biklé, 2015, p. 191), fertilize soil (ibid., p. 2) (ibid., p. 176), recycle nutrients (ibid., p. 54) (ibid., p. 56), clean air (Wohlleben, 2015, p. 196) (E. O. Wilson, 2001, p. 554), clean water (Rockström and Gaffney, 2021, p. 81) (Montgomery and Biklé, 2015, p. 19), bind carbon (ibid., p. 77) (ibid., p. 51), and run nutrient cycles (Wohlleben, 2015, p. 94) (Montgomery and Biklé, 2015, p. 4), among others. Life has gotten its resilience and ability to deal with shocks because each species provides essential services to maintain the conditions for life. The more species live in an ecosystem, the higher its productivity and the better it can withstand

[8] In natural sciences, as well as in disciplines of social sciences and humanities, as explored in Chapter 3.1 of this thesis, Western scientists have traditionally emphasized the competitive aspects of living beings in their theories. Through mechanistic assumptions and reductionist approaches, living beings were viewed as encountering one another as means to survive in the struggle of life. Symbiotic relationships were seen as „evolution's quirky side" (Montgomery and Biklé, 2015, p. 41). This gave rise to critiques who voiced that the competitive narrative „ignore[s] the many ways that collaboration is always an alloy of competition and cooperation" (Sheldrake, 2020, p. 158). Today, both the cooperative as well as competitive aspect is recognized in contemporary theories (Axelrod, 1984)(Kozo-Polyansky, 2010)(Bronstein, 2015).

environmental stresses (E. O. Wilson, 2001, p. xxv). But living organisms do not only maintain ecosystems. Due to nutrient cycling, carbon sequestration, and the regulation of water cycles, living beings influence the climate (Malhi et al., 2022). The climate system determines how much water is locked as ice in glaciers and polar ice sheets, which in turn regulate whether sea levels fall or rise (Rockström and Gaffney, 2021, p. 77). Climate connects the ocean, land, ice sheets, atmosphere, and diversity of life. On the other hand, climate and biodiversity depend on land, flowing water, deep currents in the ocean, gases in the biosphere, and biogeochemical flows, such as nitrogen and phosphorus cycles (ibid., p. 88). In that way, all living beings, ecological processes, nutrient cycles, and natural forces are interconnected and depend on one another. These processes, cycles, and forces influence living beings.

> „Our planet operates as a tightly connected system. It is similar to the human body with its interlinked organs. Your overall health relies not only on the functioning of your heart, lungs, liver, kidneys, and nervous system, but also on how they interact and communicate with each other. And importantly, just like humans, Earth seems to live by the motto „All for one, one for all“. If we lose one organ, our entire system can shut down because that organ influences the state of all the other functions. So it is for Earth.“ (ibid., p. 88)

It took around a billion years for life-sustaining conditions to develop on Earth. For some 3.5 billion years, living beings have evolved, diversified, spread, shaped their environment, been limited by their circumstances, threatened by external influences, died out, adapted, found new expressions, evolved with and against each other, and helped shape the conditions that have enabled life to take on a human form and experience the world as we do it. Today, „[a]lmost all species that ever lived are extinct, and yet more are alive today than at any time in the past“ (E. O. Wilson, 2001, p. 349). They all wove and were entwined in the fabric of life that maintains the conditions for itself.

> „The botanical world fed itself long before we came along. Plants drop their cast-off parts on top of the soil or, in the case of dead roots, within the soil. Hungry soil life eats this organic bounty and in the process changes death into the elements and compounds that plants need but can't get from photosynthesis. It is symbiosis on a grand scale. The hidden half of nature works the skin of the Earth, weaving a carpet of life that ripples up from the soil to the plants and animals that upon death become the foundation for a thriving microbial world.“ (Montgomery and Biklé, 2015, p. 71)

2.4.3 The Phenomenon of Life

As we turn from analysis back to discussion, we will start conceptualizing the phenomenon of life by setting a relational ontology as a basis. Layer by layer, we will add processual, phenomenological, and existential elements to it. The information provided in the previous section will help to bridge the metaphysical trajectory with the ground of evidence.

The world appears as a relational setting and co-reality in which organisms are being formed, experience, and interact. Relationships form an organism from the past, present, and future. All circumstances, happenings, and experiences that have happened in the past build the very conditions for each organism's existence and influence their being. All present relations form a web of countless relationships that actualize the world's physical manifestations, including the organisms. Since all organisms have unique relationships, each of them takes on a different form. All needs, desires, and goals wished to be fulfilled in the future influence the organism's body, mind, and behavior. The fulfillment of those drivers is only possible with, by, and through other living beings. In this way, the relationships of the past, present, and future shape the organism's being and make visible the mutual dependency of organisms on one another. The manifestation of all organisms through relationships does not simply mean that all living beings are connected. It implies on a deeper level that all living beings only exist because other living beings exist. In other words, no living being either exists out of themselves or is independent.

From here, we can add the processual layer. Everything is changing. Nothing remains as it is. Hence, all relations are constantly transforming, deforming, and restoring. They undergo seemingly eternal cycles of renewal and form a regenerative fabric. Nothing is added or removed. Since the relationships that make up an organism influence the second-degree relationships, which, in turn, bring about changes in the third-degree relationships, a single change impacts the entire fabric of relationships. The web undulates like waves on the surface of the ocean. However, the morphing fabric is not influenced by a single change. All relationships are constantly changing. All relationships are influencing and are influenced by other relationships simultaneously. The waves intertwine, influence each other's movement, and form the dancing surface of the ocean. For that reason, life is dynamic, cyclical, and constantly changing. More

specifically, both life and living beings are in a constant state of becoming: That which ontologically *is*, actually *becomes*.

By adding the phenomenological layer, all living beings have their own subjective experience. Consciousness and mind are an integral feature of all organisms. As the world is a relational setting, living beings interact in a context of shared meaning. Meanings are contextual and attributed to phenomena and things in the world. Organisms are actively participating in the web of life. Equipped with degrees of agency, living beings co-shape their relationships and affect their surrounding relations. In a way, each organism can manipulate the form of the ocean's waves, which, in fact, influences all other waves to a certain degree. By doing so, all living beings affect and are affected by the ocean's surface. Only through active participation can organisms actualize the greater whole and maintain its conditions. Both are temporal and potential. In other words, existence - in the form of a living body as an ontological unit - is neither permanent nor guaranteed.

The existentialist layer is hereby introduced. All living beings have a will to live. Being alive means mobilizing effort to overcome the resistance of worldly matter and keep self-sustaining their living bodies. The effort is rooted in the pursuit of freedom and balanced by necessity. Necessity includes both external supply and internal continuation. By sustaining themselves, the inwardness of the organism actively transcends into the outwardness and continues in it with its actions. The expansion of freedom is the principle of progress in evolution, which constantly creates new possibilities of freedom.

After incorporating all philosophical layers, Jonas' ontological unit of an individual *living body* that opposes the general causality of the outer realm, defies the equalizing forces of physical sameness all around, and reasserts and achieves themselves from moment to moment, is not pitted alone against the rest of things, because individual living beings are not isolated, independent parts. They are intertwined in a web of relations and parts of a greater whole. In the same way, a *living body* is a unity of a manifold; it is also a manifold of a unity. The unity is Life, a *collective living body*. The *collective living body* is not just made up of individual *living bodies*; they are together an integral part of what Life is. Living beings *are* Life; and Life *is* living beings. Life is the invisible yet omnipresent component of the seemingly isolated yet interconnected

and -dependent individual *living bodies*. Living beings are expressions and reflections of the greater whole. For that reason, Life and living beings are neither the same nor something different. They are two sides of the same coin. The separately perceived *living bodies* are, in fact, a single overall phenomenon.

The phenomenon of Life is a complex system that possesses an inner horizon and is realized through matter in the physical realm. The collective will to live and the pursuit of freedom manifests through all *living beings*. Its wholeness is achieved through its active functioning and with means of the world from which it has separated. By being outward- and forward-directed, Life thrives for self-sustenance and self-actualization of itself. However, the existence of the *collective living body* is only guaranteed by a constant supply of matter in the outer world. Specialized *living beings* can access the outer material and convert it into material that can be processed internally, that is, organically. All *living beings* work and process the material contents and let it circulate within the *collective living body*, that is, across individual *living beings*. Material disposal from the *collective living body* occurs through the release and excretion of materials from individual *living beings* and through their death. As individual *living beings* reflect the *collective living body*, both sides of the coin must take up, process, and give off material to sustain their organic form. In this overall metabolic process, all *living beings* depend on conditions created and maintained by other *living beings*. Each species thereby contributes to the active functioning and preservation of Life.

In this light, Life appears to result from a temporary state of a continuous, cyclical dynamic. This condition applies to the self-sustaining metabolic processes and the transfer of genes and knowledge. Individual *living bodies* that are born in the morphic web of Life receive their genes and knowledge from their ancestors. During their lifetime, *living bodies* gather further knowledge, adapt to changing circumstances, and pass on their genes and knowledge to the next generation. This next generation, in turn, passes on its genes and knowledge to its offspring, and so on. As all members of a species go through this process, so do all species. That is why, as a *collective living body*, Life itself is a cyclical process of becoming that evolves contingently, unpredictably, and with an open-ended nature.

> „The physical-outward description cannot be carried to its end without compromising the freedom and thus the genuine reality of the mind; the vitalistic-inward description

> not without compromising the total determination and autarky of the „extended“ realm.“ (Jonas, 2001, p. 18)

In the very moment when the physical world was introduced to Life, the cosmos literally found a way to experience itself. Following this train of thought, neither an improbable chemical accident that has never happened before or after nor an external creator inducing the formula of Life sounds plausible to me. By taking a stance built on relational, processual, phenomenological, and existential assumptions, the idea of an internal impulse or immanent inspiration that gave rise to the creative and vital force we call Life seems more plausible.

As living beings, we perceive ourselves *within* a physical world and *inside* a cosmos. It makes sense, because looking from planet Earth *into* the cosmos, we can see other planets, stars, and galaxies *within* the same cosmos. All of these entities represent a universe. As we know from astrophysics, the universe is modeled like an expanding balloon consisting of all galaxies and star systems (Kragh, 2007). Counter-intuitively, while we perceive ourselves *within* that expanding physical world, the physical seems to be only the *outer* manifestation of the universe. Through living beings, the *internal* qualities of mind, spirit, or consciousness - in the following just mind - found a way to enter the world of physical manifestations. The mind, as the *inner* horizon of living beings, sees the light of the *outer* world. It looks from the inside out. It is similar to a face that dips into a plaster mass and appears on the other side as a solidified form and mass. The subtle enters the dense. This interrelation would mean that our bodies are the external expressions of our minds, yet internal expressions of the physical world. Our minds would be the internal expressions of our bodies and external expressions of a non-physical world. In that way, the phenomenon of Life as a *collective living body* is an interdependent *body-mind-unity*. Life only exists with an inner and outer expression. The inner expression comes with a mind, a will to live, and a pursuit of freedom; the outer expression in the form of physical bodies serves as a self-sustaining vessel to keep maintaining the physical forms.

To summarize and put it simply, Life sustains its *collective living body* through the self-preservation of individual *living bodies*. Because individual *living beings* have a will to live and sustain their bodies, all members of a species sustain their species. All species sustain the ecosystems and nutrient cycles they are involved in. All ecosystems

and nutrient cycles sustain the conditions for organisms to sustain themselves and interact with each other. Consequentially, Life sustains itself.

But when all species play an essential role in preserving the vital conditions on Earth, what is humanity's contribution to Life?[9]

2.5 The Ethics of Life-Affirmation

The theoretical outline of Life has led us to several questions: What role does Homo sapiens play in the phenomenon of Life? In other words, what is Homo sapiens' contribution to Life, and how do humans affirm Life? To find answers, we will draw from the axiological implications of both Jonas' philosophical biology and Indigenous relational philosophy. After presenting their ethical understandings, we will formulate ways in which humans affirm Life.

2.5.1 Jonas' Ethics of Responsibility

In Western philosophy, scholars put forward different conceptions of ethics that sprang out of their cultural contexts and depended on their specific time and circumstances. While Plato ascribed *eros* as an affective force of morality towards a higher good, Aristotle suggested *eudaimonia*, Christians *charity*, Spinoza *amor dei intellectualis*, Kant *reverence*, and Nietzsche *lust of the will* (Jonas, 1984, p. 87). Surrounded by nuclear technologies and genetic experiments, Jonas saw the need to formulate an ethical framework for a technological age. He placed *responsibility* as an effective element at the center of his ethics. Based on his philosophical biology, Jonas published his most notable piece, *The Imperative of Responsibility*, in 1979.

Jonas argues that the mental capacities of humans, combined with their acquired knowledge and power, carry the risk of becoming fatal to individuals, societies, other living beings, and even the planet. Since humans have gained the power and knowledge to threaten both life on Earth and its life-sustaining conditions, Jonas emphasizes responsibility as a guiding category in ethics. Responsibility has an important role in Jonas' moral theory because it bridges willing and obligation. The „ought“ emerges

[9] Hereafter, I will use the term *Life* to refer to the phenomenon of Life argued in this chapter. The phenomenon of Life emerges as a consequential outcome of adopting phenomenological, existential, relational, and processual perspectives. It embodies an inner horizon, a fundamental will to live, the interconnectedness of all living beings, and its inherently dynamic nature.

as a form of self-control over one's power. Self-control begins with the obligation to preserve one's own being and extends to safeguarding the intrinsic value of others (Jonas, 1984, pp. 129-130). But what is an intrinsic value, and who or what is in possession of it?

In Jonas' ethics, only things with a purpose have an intrinsic value. Having purpose means a fundamental self-affirmation of being. A purpose is, therefore, always superior to purposelessness. If something carries such intrinsic value, or is good-in-itself, its mere existence implies a demand for it to be realized. Whenever such a thing then comes under the care of a will, Jonas concludes, its demand for self-affirmation addresses an „ought" to that will (ibid., pp. 79-81). Jonas argues ontologically here for all that is actual and potential being, not only for entities that currently exist. With this argument, axiology is integrated into ontology. In that sense, things that are good-in-itself are more important than the states of one's will. Using one's will is problematic because things with an intrinsic purpose become means to an end (ibid., p. 89). That is why people will never be „good" when they make themselves good. They will only be good if they do the good for their own sake. The good must always be the cause. For that reason, Jonas believes that morality can never have itself for its goal (ibid., p. 85).

As we have learned in Chapter 2.2.2, Jonas attributes purposiveness to all living beings and to living beings only. Since all living beings have a will to live, sustain themselves, and pursue freedom, they have an intrinsic value and are good-in-themselves. Jonas states, „[e]very living thing is its own end which needs no further justification" (ibid., p. 98). As purposiveness already includes a willingness to achieve goals, self-preservation does not have to be commanded. Through the self-preservation of its actions, the mode of being constantly says „yes" to itself (ibid., p. 82). „And precisely here, the self-affirmation of being becomes emphatic in the opposition of life to death. Life is the explicit confrontation of being with not-being" (ibid., p. 81).

As a practical implication, people must make the „yes" part of their will and say „no" to the non-being of their power (ibid., p. 82). This means that the „no to not-being" must translate into collective action the „yes to being" (ibid., p. 140). This „yes to being" encompasses the whole animated world regardless of other's consent. Jonas concludes that the „common destiny of man and nature, newly discovered in the

common danger, makes us rediscover nature's own dignity and commands us to care for her integrity over and above the utilitarian aspect“ (Jonas, 1984, p. 137). Moreover, „its first urging is necessarily an ethics of preservation and prevention, not of progress and perfection“ (ibid., p. 139). For that reason, responsibility involves not only specific tasks and actions in the present. For Jonas, true responsibility encompasses the overall well-being and future outcomes of those we are responsible for. Hence, tomorrow becomes today's concern. Therefore, responsible action preserves future generations' ability to make decisions and take action. It empowers and prepares others to take on responsibility themselves in the future without restricting their growth potential or autonomy (ibid., pp. 106-107). Jonas concludes that „[c]are for the future of mankind is the overruling duty of collective human action in the age of a technical civilization that has become „almighty,“ if not in its productive then at least in its destructive potential. This care must obviously include care for the future of all nature on this planet as a necessary condition of man's own“ (ibid., p. 136). In the spirit of responsibility, Jonas articulates his ontological, or ecological, imperative in both positive and negative formulations. Positively, he states:

> „Act so that the effects of your action are compatible with the permanence of genuine human-life.“ (ibid., p. 11)

Negatively, he advises:

> „Act so that the effects of your action are not destructive of the future possibility of such life.“ (ibid., p. 11)

As Jonas has put forward his ethical claims for an ecological imperative, Western philosophy reflects on past developments, reconnects with nature, acknowledges an intrinsic value in all living beings, opens its sight towards the future, and takes responsibility for today's actions in order to leave life-providing conditions for generations yet to come. While Western societies, over the course of two millennia, have demonstrated varying levels of regard for other people, living beings, and the Earth, Indigenous peoples have long practiced responsible relationships with nature.

2.5.2 Indigenous Peoples' Ethics of Custodianship

Besides relationality, responsibility is another shared commonality among Indigenous cultures. Responsibility grounds in relation to Land. The Land is considered a sacred

entity and mother of all humanity (Graham, 1999, p. 106). It is the source of all living beings whose bodies are made of its elements, soils, and waters. The Land naturally provides living beings with all the things they need to thrive, live, and be healthy. In that way, everything is part of the Land in some way. Within the fabric of life, all things are recognized and respected for their place in the overall system. They are all parts of a single whole, connected and related at many levels (Mirraboopa, 2003, p. 207). In the spirit of a relational ontology, the relationships that make up the whole system matter. Therefore, maintaining and strengthening these relationships is of prime importance (Graham, 1999, p. 111). Once again, axiology is integrated into ontology.

Indigenous cultures are guided by custodial ethics. The premise for a custodial way of living is to understand one's role in the interconnected web of life. All living beings are single nodes in that fabric that co-shape relationships. In order to sustainably maintain the interdependent whole, all agents must have full autonomy and unique expression. Instead of trying to control and dominate, humans are responsible for understanding what is moving and trying to move (Tapestry Institute, 2023). They allow the natural wisdom of the Land to express itself within the limits of accumulated community experience and knowledge. The Land „suggests a notion of caring for something outside ourselves, something that is in and of nature and that will exist for all time“ (Graham, 1999, p. 108). That is why, as custodians, humans must protect and guard all living beings (Mirraboopa, 2003, pp. 209-210). By maintaining agency for all living beings, transferring knowledge, and defending the living world, humans eventually move with the Land and transform in response to shifting contexts (Yunkaporta, 2020, p. 69). In doing so, Indigenous peoples are accustomed to looking and thinking long-term. The *Way of the Seven Generations* implies thinking and acting „in such a way that each of our decisions and actions is made with the deep consideration and wisdom of our ancestral past, our eventual impact on Mother Earth, and the future lives of the unborn“ (Good Feather, 2021, pp. 124-125). This takes into account both the seven generations that have gone before and those yet to come. While lessons are learned from the successes achieved and mistakes made by the past generation, the lives of future generations are taken into account in the decision-making processes of the present (ibid., p. 126). Another characteristic is the *Way of the*

Buffalo. It is about the relationship with the abundance of Earth that is offered daily. The practice encourages use to be intentional and deliberate about what we do and how it affects the Earth. It encourages people to take only what they need, use all they have taken, and be grateful for it (Good Feather, 2021, p. 133).

In summary, the Indigenous peoples' ethics of custodianship underscore the interconnectedness of all life and the responsibility humans hold towards the Land. This custodial approach emphasizes understanding one's role within the fabric of life, respecting the autonomy of all beings, and nurturing relationships that sustain life's interconnected web:

> „Your lookout encompasses all of your reasonable obligations and activities within your pairs, groups, and wider networks. By reasonable, I mean any tasks that reflect the other protocols of a sustainability agent - leaving you free to be different from others, receive and transfer knowledge, and transform in response to shifting contexts, while acting as a custodian and defender of these things." (Yunkaporta, 2020, p. 88)

Both Jonas' and Indigenous axiology come to a very similar conclusion: The knowledge (and power) of humankind implies responsibility for today's actions, taking the future into account. The role of humanity is that of a custodian who protects and preserves life on Earth. As humans take on their responsibility and understand themselves in the larger scheme of things, the ego of an individual will be transcended, and selfless behavior will result. From an Indigenous viewpoint, the „collective responsibility to land is vital if people are even to attempt to transcend ego and possessiveness; the point is that land always comes before ego and possessions. These things tend to present a barrier to upholding obligations to look after land" (Graham, 1999, p. 113). This transcendence is rooted in a relational ontology. Understanding the world based on relations, „[y]ou no longer know yourself as a 'person', you've become an Entity amongst other Entities" (Mirraboopa, 2003, p. 208). Jonas highlights this phenomenon by stating: „The secret or paradox of morality is that the self forgets itself over the pursuit of the object, so that a higher self (which indeed is also a good in itself) might come into being. [...] In this sense morality is „selfless," although it may sometimes also have a condition of the self for its object" (Jonas, 1984, p. 85).

Although the ethics of Jonas and Indigenous peoples come to a very similar conclusion, there are major differences in the nature of the reasoning and the origin of the arguments. While Jonas sees the rise of technological societies with their knowledge and power

as a threat to humanity, other living beings, and the planet, Indigenous peoples' spiritual worldview and connection to the Land is the starting point of reasoning. Moreover, Jonas argues that the existence of humanity comes first. The existence of other living beings is a necessary condition for humans to exist and have a good life. Even though other living beings also have an intrinsic value, the line of reasoning implies a human-first-imperative. „[R]esponsibility is first and foremost of men for men, and this is the archetype of all responsibility" (Jonas, 1984, p. 99). „In the truly human aspect, nature retains her dignity, which confronts the arbitrariness of our might. Ourselves being among her children, we owe allegiance to the kindred total of her creations, of which the allegiance to our own existence is only the highest summit. This summit, rightly understood, comprises the rest under its obligation" (ibid., p. 137). In contrast, Indigenous peoples see the Land as a sacred birth- and home-giving entity whose intrinsic value comes first. All living beings uniquely relate to the Land and fulfill different roles. Humans have the role of custodians who protect and preserve other living creatures and the Land. „The two most important kinds of relationship in life are, firstly, those between land and people and, secondly, those amongst people themselves, the second being always contingent upon the first" (Graham, 1999, p. 106).

2.5.3 The Ethics of Life-Affirmation

In this chapter, we will attempt to formulate an Ethics of Life-Affirmation, drawing from Jonas' and Indigenous philosophy and ethics. We will answer the question, „How do humans affirm Life?" To this end, we will clarify what we mean by the phenomenon of Life and define the Life-affirming.

The phenomenon of Life emerges as a consequential outcome of adopting existential, phenomenological, processual, and relational perspectives. Life, approached under these assumptions, embodies a fundamental *will to live*, an *inner horizon*, a *dynamic nature*, and the *interconnectedness of all living beings*. Moreover, Life is the unity of the manifold of all living beings, that is, a collective living body.

The *will to live* is presented through Life's fundamental mode of being, which constantly preserves itself. In order to exist, Life must mobilize effort to overcome the resistance of worldly matter and keep self-sustaining its collective living body. The

effort is rooted in the pursuit of freedom and balanced by necessity. The *inner horizon* of Life includes consciousness, mind, and subjectivity. All individual living beings have their own subjective experience. Consciousness and mind are integral features of all organisms in differing forms and degrees. Life's inner horizon also grants agency to living beings, enabling them to participate actively in the world. The *dynamic nature* of Life causes it to constantly change. These changes undergo seemingly eternal cycles of renewal and form a regenerative fabric. Hence, the collective living body is in a constant state of becoming. Life also implies the *interconnectedness of all living beings*. Organisms influence and are influenced by other living beings. By having mutual interactions, each living being contributes to preserving its species. They co-create and co-shape the nutrient cycles and ecosystems they live in. All nutrient cycles and ecosystems sustain the vital conditions species need. In this way, living beings depend on conditions co-created and co-maintained by other living beings. Consequentially, all living beings only exist because other living beings exist.

In conclusion, Life is understood as a collective living body that pursues freedom by preserving itself. Freedom, as the driving principle in the evolution of life, finds expression through various forms and degrees of individual living beings' capacities, including self-preservation, consciousness, growth, learning, sexuality, creativity, expression, art, motility, perception, emotion, communication, image-making, self-actualization, and transcendence, among others. These forms of freedom are balanced by necessity. Necessity includes both external supply of material contents and self-preservation through internal continuation. Specialized organisms convert external materials, such as nutrients, into internal resources, which are then circulated within the collective living body. Material disposal occurs through various means, such as excretion and death. From another angle, all individual living beings sustain themselves. All members of a species sustain their species. All species sustain the ecosystems and nutrient cycles they are involved in. All ecosystems and nutrient cycles sustain the conditions for organisms to sustain themselves and interact with each other. Consequentially, the collective living body sustains itself.

Every species plays a crucial role in maintaining the conditions necessary for Life in the process of self-sustaining the collective living body. Before we answer the question,

„How do humans affirm Life?“ we will define what we mean by Life-affirming and Life-denying.

The conceptualization of Life-affirming and Life-denying is understood as a form of polarity. Both poles are complementary and interact with each other. That is why Life-affirming and Life-denying can only exist together. Both qualities form one vibrant system. According to our philosophical conception of Life, the category *Life-affirming* encompasses all expressions of freedom and necessity.[10] In contrast, the category *Life-denying* encompasses restrictions on such freedoms and rejections of such necessities. Again, it is crucial to understand that these categories are not binaries. They do not exclude or oppose each other. The contrary is true. Both categories indicate *interdepending*, *counterbalancing*, and *transforming* qualities or forces of a unified system.

Seeing them as polarities, Life-affirming and Life-denying qualities *depend* on one another. For instance, birth and death are part of the same life cycle. Life-affirming qualities, such as growth, creation, and vitality, cannot fully exist without the contrast provided by life-denying qualities, such as decay, destruction, or the end of a life cycle. We see the interdependence of both qualities in various contexts. Each newborn will die at one point. The life of a lion depends on the death of a zebra. The thriving of a bacterium is another organism's disease. Moreover, both qualities *counterbalance* each other. While Life-affirming forces involve nurturing and promoting growth, Life-denying forces may offset its expansion. For example, an increase in the fox population leads to a decline in rabbits due to predation, which in turn impacts the fox population by reducing their food source. This counterbalance between Life-affirming and Life-denying forces results in dynamic cycles of population growth and decline for both species. Ultimately, Life-affirming and Life-denying forces *transform* into each other. For instance, the end of one cycle might pave the way for new beginnings. Death and decay can create space for regeneration and new life. In order to create new life and initiate new nutrient cycles, small mites and springtails eat dead leaves, fungi process dead wood, and microbes mineralize nitrogen from dead plants. In all

[10] As mentioned above, forms of freedom encompass self-preservation, consciousness, growth, learning, sexuality, creativity, expression, art, motility, perception, emotion, communication, image-making, self-actualization, and transcendence, among others. The forms of necessity are external supply of material contents and internal continuation of metabolic processes.

these cases, Life is affirmed by nourishment from the denial. Death is transformed into life, nurturing the collective living body in endless cycles.

Understanding Life-affirming and Life-denying as complementary polarity, both forces are part of a unified system where one is necessary for the existence of the other, both qualities counterbalance each other, and both forces transform into another. Their interactions create a dynamic balance and cycles of renewal. How do the categories Life-Affirming and Life-Denying translate to the Ethics of Life-Affirmation?

The Ethics of Life-Affirmation serves as a guiding principle for navigating human endeavours, undertakings, and actions for freedom. As we have seen, Life requires the active functioning of its individual living beings, which, on the one hand, run the metabolic processes - nutrient cycles - that sustain the collective living body and, on the other hand, co-create and co-maintain the vital ecosystems on Earth. *By protecting and preserving the collective living body while promoting its freedoms and fulfilling its necessities, humans affirm Life.* Drawing on Jonas, I propose the following imperatives in positive and negative formulations:

> „Act so that your actions foster the continuity of freedom-thriving Life."

> „Act so that your actions do not endanger the future viability of such Life."

Having set the positive and negative imperatives of the Ethics of Life-Affirmation, we need to understand how humans promote the freedoms of Life, fulfil its necessities, and protect and preserve the collective living body. This understanding will demonstrate how humans affirm Life.

Life pursues its freedoms by self-preservation, evolution, and expression of all living beings. In terms of humans, individuals exercise freedom by self-preservation through eating, drinking, and sleep.[11] Humans also show freedom through growing and learning, which is actively engaging in personal development, taking on responsibilities, acquiring new skills, expanding their capacities, and seeking education. Freedom of sexuality is explored through diverse orientations, gender identities, forms of relationships, and sexual practices. Creativity is expressed through various activities, including art, play, design, production, cooking, innovative thinking, and problem-solving. Art is another form of freedom that is found in music, painting, dance, storytelling, martial

[11] The freedoms and necessities listed in this chapter do not represent a complete picture of all forms. They merely serve as a first draft that carefully approaches the complexity of reality.

arts, crafts, and architecture. Freedom of expression extends to language, symbolism, and personal style choices, such as clothing, hair, and accessories. Movement, agility, and flexibility are celebrated as freedoms of motility. The capacity of perception is exercised through engaging with the world via the senses. Emotions are experienced as responses to internal and external stimuli, helping navigate life. Communication occurs through visual, auditory, tactile, and olfactory channels. The freedom of image-making involves constructing mental representations, theories, religions, and ideologies. Self-actualization is pursued through purposeful action. Ultimately, individuals pursue freedom by seeking transcendence through acts of selflessness and spiritual practices, connecting with something greater than themselves. All actions pursuing, exercising, and promoting such freedoms shall be called Life-affirming and meet the positive imperative. The same is true for the freedoms of all other species. When humans promote the freedoms of other living beings, they affirm Life. However, how do humans fulfil the necessities of Life?

Life's necessities are the external supply of material contents and the internal continuation of metabolic processes. Without the material contents of water, air, sunlight, minerals, and other environmental substances, the collective living body could not sustain itself. Access to such environmental elements and their necessary material contents demands functioning ecosystems, co-created and co-maintained by living beings. Life could also not continue existing without the collective effort to obtain, process, and emit these material contents among all living beings. This internal continuation reveals a paradox of Life, which showcases the interdependent nature of Life-affirming and Life-denying forces. As we have seen in Chapter 2.4.2, all living beings in the soil eventually become food for other living beings. Hence, Life feeds on itself to sustain itself. The same is true in predator-prey relationships. Some living beings, like wolves, kill other living beings, like deer, in order to maintain their metabolic processes. Scavengers, such as hyenas, crows, and beetles, then feed on such dead animals, bringing their valuable nutrients back into the collective living body. Humans play a special role as apex predators in the food chain because they are not usually eaten by other living beings. On the contrary, humans eat various foods, including meat, fish, fruit, vegetables, grains, and dairy products. The consumption of such foods is both Life-affirming and Life-denying. On the one hand, food is

Life-affirming because a living being sustains itself. On the other hand, eating food can be Life-denying because it kills or restricts the freedom of another life.[12] In order to keep a balance between the Life-affirming and Life-denying forces, the Indigenous Way of the Buffalo helps to prevent overconsumption. The Ethics of Life-Affirmation justifies the death of other living beings if humans only take what they need for self-preservation or the preservation of society and use everything they have taken. Nevertheless, humans fulfil the necessities of Life by guaranteeing access to functioning environmental elements, sustaining ecosystem and biodiversity, and only taking what they need to maintain balance within the collective living body. Based on promoting freedoms and fulfilling the necessities of Life, how do humans preserve and protect Life?

On an individual level, humans need to understand themselves in the larger scheme of things. Individuals are connected to and dependent on all living beings, even if it does not seem that way when killing a tiny mite on the forest floor. One less mite is unlikely to unbalance an ecosystem. However, if one were to kill all mites in the forest, many more leaves would not be eaten, and their material contents would not be returned to the nutrient cycle. Many soil organisms would have less food and could produce less fertile soil. Less fertile soil means fewer nutrients for plants, which affects their health and growth. The lack of plant nutrients affects the animals that rely on them, including humans. Ultimately, human health depends on the vital work of mites in the soil. By understanding Life's interconnected and interdependent nature, all living beings are recognized and respected for their place and contribution to the overall system. The autonomy and freedoms of other living beings are respected, and the collective living body is protected. However, humans must overcome their egos in order to care for Life, preserve the collective living body, and maintain the vital conditions on Earth. As long as humans are driven by their ego, will, and self-interest, they cannot act responsibly towards their own species, other living beings, and Life itself. Responsibility extends from the present to the future. A Life-affirming mindset, therefore, considers future generations' general well-being and promotes their

[12] We need to look closer at the diversity of food production, agriculture, and animal husbandry, among others, and deal with animal and plant ethics. It is essential to include more literature to strengthen the Ethics of Life-Affirmation with more perspectives and arguments, but that is beyond the scope of this thesis. I will explore this aspect further in a future research project. It will suffice to bring this chapter to a close based on the literature presented and discuss neoliberal capitalism in Chapter 4 based on it.

potential freedoms. Consequently, humans pursue their freedoms within Life-affirming safeguards.

On a collective level, societies ought to affirm Life, too. Societal areas such as education, science, politics, and economics would foster the continuity of Life and avoid activities that endanger the future viability of the collective living body. After identifying Life-affirming safeguards to exclude Life-denying pathways of societal development, humans got to live within a more Life-affirming society. It would extend the scope of this thesis to go through all societal areas and show what the Ethics of Life-Affirmation mean to each sector. Instead, in Chapter 4 we will discuss to what extent the economic system of neoliberal capitalism has Life-affirming and Life-denying tendencies. At this point, we will mention what quantitative protective measures are required to preserve Life on Earth. The concept of Planetary Boundaries[13] will help us to understand what must be protected and preserved to maintain the vital conditions on Earth and to thrive collectively in large-scale societies.

The climate system is one of the core boundaries that helps to sustain Life-providing conditions on Earth. The climate connects the ocean, land, ice sheets, atmosphere, and diversity of Life. It determines how much water is trapped as ice in glaciers and polar ice sheets, which in turn regulates the sea level and controls what food humans can grow where. In order to prevent ice melting, death of coral reefs, floods in coastal cities, falling carbon sink in the Amazon, droughts, heat waves, and a higher frequency of forest fires, the global temperature should not exceed an increase of 1.5°C compared to pre-industrial levels. The boundary can be met if humans keep the carbon dioxide level in the atmosphere under 350 parts per million, which requires a fossil-free economy by 2050 (Rockström and Gaffney, 2021, p. 78).

Biodiversity is another crucial factor to stay within Life-preserving boundaries. As we have seen in Chapter 2.4.2, biodiversity is necessary to produce healthy food, run nutrient cycles, have clean air and waters, bind carbon, have productive ecosystems,

[13] The concept of Planetary Boundaries is a framework in Earth system science that outlines the safe operating space for humanity within the Earth's ecological system. These boundaries represent critical thresholds for various Earth system processes, including climate system, biodiversity loss, land-use change, freshwater use, biogeochemical cycles (such as nitrogen and phosphorus), ocean acidification, air pollution, ozone depletion, and chemical pollution. Crossing these quantified boundaries for each process poses the risk of abrupt and irreversible environmental changes, which could disrupt the stability of Earth's systems and compromise the ability of Life to thrive (Rockström and Gaffney, 2021).

have greater resistance against environmental stresses, and preserve a Life-supporting biosphere on Earth as we know it today. Humans are currently nearing the threshold of causing a sixth mass extinction. In the last 50 years, 68 percent of all wildlife has been wiped out. Today, one in eight species is threatened with extinction. In order to maintain the remaining biodiversity on Earth, a zero-loss policy is necessary (Rockström and Gaffney, 2021, p. 81).

Earth's land, freshwater, and nutrient cycles are necessary conditions to sustain functioning ecosystems. Humans have already altered 50 percent of the Earth's surface and are managing about 75 percent. Industrial fertilizers are used in agriculture to feed more than 3 billion people. The resulting pollution causes considerable damage to soils, lakes, rivers, and coasts. This damage disrupts the balance of natural processes and can lead to the destruction of ecosystems. In order to preserve vital ecological processes and environments, a global conservation strategy should encompass at least half of the Earth's biodiversity and natural ecosystems. The three remaining rainforests in Amazonia, Congo, and Indonesia and the temperate and boreal forests in the northern hemisphere should be particularly protected. Estimations state that humans can consume only up to 15 percent of Earth's freshwater run-off. In addition, humans must drastically reduce the usage of industrial fertilizer, and production must become circular (ibid., pp. 82-84).

In summary, collective human action must encompass reducing carbon dioxide levels by transitioning to a fossil-free economy by 2050, conserving biodiversity by implementing a zero-loss policy, and preserving land, freshwater, and nutrient cycles by protecting rainforests and other critical habitats, reducing pollution from industrial fertilizers, and transitioning to circular production methods. From a scientific standpoint, these measures are necessary to develop societies with Life-affirming safeguards, maintain the vital conditions for Life, and guarantee that the collective living body pursues its freedoms. Again, *by protecting and preserving the collective living body while promoting its freedoms and fulfilling its necessities, humans affirm Life.*

Before exploring the extent to which neoliberal capitalism aligns with the Ethics of Life-Affirmation, we will examine its evolution and define its characteristics.

3 How has Neoliberal Capitalism been evolving?

3.1 A brief History of Western Economics

This chapter aims to provide an outline of neoliberal capitalism. I understand neoliberalism as a philosophy and ideology influencing political policy-making and economic theories. Capitalism is understood as both an economic system and a social order. We will explore what a neoliberal version of capitalism means and how it has evolved from feudal Europe to neoliberal Chile in the twenty-first century. To this end, we will reconstruct neoliberal capitalism's material and ideal traces. The material traces will lead us through the transition from feudalism to capitalism, the displacement of subsistence farmers, the rise of profit-oriented entrepreneurs, the establishment of modern property laws that turned peasants into industrial wage workers, and the establishment of a consumerist society. The ideal traces will illuminate the emergence of positive attitudes towards economic enterprise, self-interested individuals, and the pursuit of material goods. Both paths will help us understand how material relationships under neoliberal capitalism are formed and what ideas reproduce and justify the system. In addition to the historical journey, we will review prominent thinkers who have argued for and contributed to liberal and capitalist ideas and practices. Due to the limited scope of a Master's thesis, we cannot cover all aspects of the story of neoliberal capitalism. While we address economic, social, political, and legal aspects, global, financial, and technological perspectives receive less attention. Additionally, I excluded more detailed discussions of each author's arguments on specific subjects and areas, such as international trade, taxation, and mathematical foundations. However, I hope to provide enough information to adequately outline neoliberal capitalism by the chapter's end. The ideas of individual freedom,[14] private ownership rights, voluntary exchange, enterprise, market economy, and competition will be elements used to outline neoliberal capitalism. This outline will serve as a basis for applying the Ethics of Life-Affirmation developed in the preceding Chapter 2.5.3 and investigate to what extent the neoliberal form of capitalism tends to be Life-affirming and Life-denying.

[14] We note that we used the term *freedom* in the context of Jonas' understanding of living beings' expressions and their capacity to transcend bare matter. In this chapter, we will explore what *freedom* means according to neo/liberal thought.

3.1.1 Historical Context - Prior the Eighteenth Century

Western Europe was economically, legally, and politically organized in the Middle Ages in a feudal system. Feudal systems in Europe were structured around a vertical hierarchy of power and land, characterized by the relationship between lords and serfs. Serfs were bound to both their masters and other serfs in communal structures. For most previously free workers, establishing the feudal system considerably intensified their exploitation. Only a few had a relative chance of improving their situation. Overall, the feudal mode of production provided a way to exploit agricultural labor by an upper class whose primary skill was warfare (Wallerstein, 1999, pp. 27-29).

Feudal systems were ideologically and practically influenced and shaped by the Christian Church. After becoming the Roman Empire's official religion in its final epoch, the hierarchical social structure that Christianity created, mirrored by the Great Chain of Being, as discussed in Chapter 2.3, enabled the Church to survive the fall of the Roman Empire in the West. This fall led to a unique situation where a hierarchical world religion became politically divided societies' normative and even binding force. As a result, the Christian Church possessed considerable strength for an extended period, allowing it to legitimize the authority of feudal lords and monarchs by divine right. Rulers were seen as appointed by God, which reinforced the feudal system's hierarchical nature. Additionally, the Church was a significant landowner and collected rents and taxes (ibid., pp. 48-50).

The practices of feudal authorities and Christian teachings were sometimes in tension with each other. In terms of striving for a higher meaning, the upper strata of feudal systems, shaped by the medieval chivalric ethos, often strove for honor and glory. In contrast, Christian theologians, such as St. Augustine (354-430) and St. Thomas Aquinas (1225-1274), condemned glory-seeking as both vain and sinful (A. O. Hirschman, 1997, p. 10). Monetary reasons also conflicted with moral beliefs. In the Middle Ages, commerce was based on the exchange of goods, which mainly took place in cities. The buying and selling of goods increasingly took place between people who were strangers to each other. These trading activities were particularly evident in the mercantile fairs of northern Europe, such as those in Flanders and Champagne. The depersonalization of transactions, as opposed to the face-to-face interactions typical of rural communities, brought moral challenges. In these urban environments, the

pursuit of profit sometimes tempted individuals to prioritize self-interest over ethical considerations, such as the Christian commandment to love one's neighbor. Other economic practices such as usury, i.e. lending money at high interest rates or the accumulation of wealth, also conflicted with the moral teachings of Christianity. While usury was condemned for exploiting the vulnerable, scholars gradually recognized nuanced distinctions in commercial transactions, leading to debates about what constituted usury (Gregory, 2012, pp. 249-252). However, the socioeconomic hierarchy of feudal systems was widely accepted, and the fundamental belief in the natural order of social hierarchy remained largely unquestioned.

Technological advancements in agriculture accompanied the political and economic circumstances. Tools such as a heavy plow and practices such as the three-field system enhanced productivity and supported population growth in Northern Europe in the ninth century (Merchant, 1989, pp. 47-48). In the twelfth century, the expanded use of water mills for grinding grain further increased efficiency and production in agricultural processes. The rapid population growth led to land reclamation and deforestation for agriculture and settlements. More stable and larger communities were formed (ibid., pp. 61-62).The socioeconomic system worked pretty well for feudal lords up until 1250+. It then experienced a decline for about 200 years (Wallerstein, 1999, p. 31).

Between the thirteenth and fifteenth centuries, the social fabric in feudal Europe collectively experienced a disastrous period. The Black Death pandemic, which raged from 1346 to 1353, resulted in a significant loss of life. Some populations shrank by 60 percent (Merchant, 1989, p. 48). For the feudal lords, it meant fewer people could till the land, the surplus labor of unfree peasants was scarce, and rents[15] fell. As a result, large land areas were abandoned and left uncultivated. The feudal lords had less income and experienced a declining standard of living. Because the upper classes demanded much more agricultural labor than was available, the peasantry had the power to bargain with their lords. Numerous peasant uprisings led to an additional reduction of rent and a decline in the income of feudal lords (Wallerstein, 1999, pp. 44-46). The feudal lords' loss was the people's gain. Higher wages meant more money, used to buy more and better things. The urban elites resisted the uplift of their supposedly inferior fellow citizens. In order to preserve clear signs of social status

[15] In this context, *rents* refer to the payments made by peasants or small agricultural producers to the feudal lords for land use. I am following Immanuel Wallerstein's terminology here.

and limit the demographic spread of public vanity, dress codes were tightened, and control over fashion was exercised in much of Europe. To highlight the differences in social status, people of higher status displayed their high-value possessions in public (Gregory, 2012, pp. 256-257).

If the economic and social struggle was not enough, wartime and internal fights among the nobility disrupted the social order still further. This disruption had a negative impact on manorial wealth and authority. However, there was also a winner during the political and economic crises of the aristocrats: the yeomen farmers. Yeoman farmers sustained themselves independently with sufficient land and resources. Innovations such as better plowing techniques and improved crop rotation systems allowed yeoman farmers to increase their yields and produce surplus (Merchant, 1989, pp. 54-55). Their economic independence and surplus production provided leverage and bargaining power to resist reliance on feudal lords (Wallerstein, 1999, p. 46). During this decline of feudal systems, serfdom started to disappear in Europe. By the fifteenth century, serfdom was no longer practised in England. Most of the people were free peasants. Agricultural wage laborers in the medieval period encompassed both part-time laborers on large estates and a smaller independent class, who, while receiving wages, also cultivated their arable land and had access to common resources (Marx, 1867, p. 1).

It has to be mentioned, without going into too much detail, that in addition to the decline of the feudal lords, the Church collapsed as well at this time. Like feudal lords and states, the Church suffered economically between 1250 and 1450. To sustain itself, the Church became more involved in economic and financial matters, which weakened its spiritual authority. The gap between the Church's ideals and its members' inability to fulfill them daily became increasingly paradoxical. Ultimately, conflicts arose between the Church and temporal rulers and within the Church itself, further weakening the Church's influence and stability (Wallerstein, 1999, pp. 48-50).

Despite legal restrictions on land accumulation, the French nobility were unwilling to give up their privileges during the crisis. Instead, influenced by the growing entrepreneurial mindset of European cities such as Florence, Paris, London, and Bruges, they sought to adapt their methods to increase their returns. These methodological adaptions included managing their lands more efficiently and restoring the value of

their land and rents without resorting to overt violence. As other feudal lords adopted these strategies, they realized that whether through rent or profit, more revenue meant higher income. In this process, feudal lords discovered the crucial role of the state in enabling and guaranteeing economic frameworks, which changed the course of history from a feudal Europe to absolutist states and the rise of capitalism (Wallerstein, 1999, pp. 53-55).

In the fifteenth century, life in Europe was marked by economic growth and extensive commercial activities, particularly in its dynamic cities. People from all different social statuses were engaged in buying, selling, trading, and financial transactions, facilitated by innovative credit systems, emerging banking institutions, and established accounting practices. The consumption of luxury goods, especially clothing, became increasingly popular among the wealthy, further highlighting social differences. Economic practices continued to evolve, with markets and money increasingly influencing social and moral norms. Although greed and vanity were widespread in the cities, from a moral perspective they were still considered a sin. Guilds and social relationships provided some counterbalance to financial transactions and the accumulation of material goods. In other words, the economic activities were still embedded in an ethical framework. Despite increasing economic activity, poverty persisted,, and urban magistrates struggled with increasing numbers of impoverished residents (Gregory, 2012, pp. 257-260).

The economic upswing brought not only social changes but also technological advancements and ecological impacts. In the sixteenth century, the rise of commercial banking organizations facilitated the expansion of the mining and metal industries. Significant capital investments enabled the establishment of large-scale mills and foundries. Technological changes in farming and land reclamation altered water tables and reduced biodiversity in drained wetlands. Significant demands from industries like shipbuilding and iron smelting led to deforestation and the search for alternative energy sources. Due to unsustainable deforestation practices, acute timber shortages eventually led to the increased use of coal in the late sixteenth century. The transition from wood to coal marked a significant shift in industrial energy sources and contributed to the rise of early capitalist[16] industries that relied on nonrenewable resources. Technological

[16] In Chapter 3.1.4.3, we will develop an understanding of what we mean by *capitalist*.

innovations in mining and metal processing further embed capitalist practices in the economy, transforming urban and rural landscapes (Merchant, 1989, pp. 63-66).

The trend towards technological advancement, economic growth, and wealth accumulation led to a decoupling of the moral framework, first and foremost in England. The decoupling manifested in the displacement of subsistence farmers from the land and the disruption of traditional relationships between people and the land. As a result of the dissolution of feudal rule, a new class of profit-oriented entrepreneurs appropriated common land and displaced subsistence farmers. The immediate reason for these displacements was the rapid rise of the Flemish wool manufactories and the corresponding increase in wool prices in England. Driven by money, the new social class focused on converting arable land into sheep pastures, as wool could profit more. Farmlands managed by many peasant families were transformed into sheep pastures. The result was that a few feudal lords owned many farms and large numbers of livestock. Land rents rose sharply, arable farming declined, churches and houses were demolished, and many people lost their livelihoods. It was recognized that greed and pursuing wealth can lead to civil unrest. Legislative measures were taken in the late fifteenth and early sixteenth centuries in response to social grievances arising from the concentration of land ownership and displacement of small farmers and agricultural laborers. The laws passed under Henry VII and Henry VIII were intended to prevent the destruction of agricultural buildings, limit the number of animals owned by individuals, and regulate land use to protect small farmers. Despite these efforts, the dispossession of peasants in England continued, worsened by the Reformation and the confiscation of Church property. The decline of the Catholic Church's holdings further destabilized the traditional land ownership structures and contributed to new economic and social relationships (Marx, 1867, pp. 1-4). In the second half of the sixteenth century, William Harrison (1534-1593), an English clergyman, wrote in his *Description of England*:

> „If, the old records of euerie manour be sought... it will soon appear that in some manour seventeene, eighteene, or twentie houses are shrunk... that England was neuer less furnished with people than at the present... Of cities and townes either utterly decaied or more than a quarter or half diminished, though some one be a little increased here or there; of townes pulled downe for sheepe-walks, and no more but the lordships

> now standing in them... I could saie somewhat.“ (Harrison and Holinshed, 1586, as cited in Marx, 1867)

After the Stuarts were restored to power in 1660, money-greedy landowners started using legal methods to take control of the land. They did this by eliminating feudal land tenure, which meant they no longer had to fulfill obligations to the government related to their land. Instead, they compensated the government by taxing the peasantry and the general population. Landowners then claimed full land ownership under modern property laws, even though their ownership was initially based on feudal titles (Marx, 1867, pp. 4-5). By the end of the century, after the Glorious Revolution, there was a growing acceptance of a mercantilist discourse that divorced economic life from religious considerations. Landlords and entrepreneurial appropriators seized lands on a large scale without regard for legal procedures. This shift coincided with the emergence of a narrative that portrayed wealth accumulation as a sign of God's favor towards Protestant prosperity. These developments marked a transition towards a more secular understanding of economic success and societal hierarchy in England (Gregory, 2012, pp. 265-267).

At the same time, Holland experienced its Golden Age (1588-1672). During this period, the consumption of the urban merchant elite increased considerably across religious boundaries. These elites justified their affluent lifestyles by distinguishing themselves from the landed aristocracy's conspicuous consumption and portraying their indulgence as more refined and modest. The Dutch economy flourished despite religious tensions and conflicts in the 1610s (ibid., pp. 274-275). Technological and financial forces drove the economic upswing. Technologically, the Dutch started using manure, including human excrement and peat ash, and advanced horticulture by introducing a four-field rotation system and new crops. These agricultural practices enhanced productivity and diversified agricultural output, increasing yields and profits. Unlike England, where strong landlords displaced subsistence farmers, the Dutch rural society, with its autonomous peasantry and weak nobility, allowed for more equitable land distribution and individual farmer prosperity. The result was a growing class of prosperous market farmers who engaged in urban trade and contributed to an expanding market economy. Financially, increased trading further boosted the economy. The ability to export surplus agricultural products and import necessary resources like

night soil for fertilization amplified both rural productivity and global trade networks. At that time, international trade, mainly stimulated by European exploration and exploitation of the American continent, played a crucial role in transitioning towards market-oriented production (Merchant, 1989, pp. 52-54). Morally, trade was praised as the key to a good life, leading to individualising religious preferences and separating religion from other aspects of life. These changes reflected a move away from traditional lifestyles and shifted towards a more commercialized and consumer-oriented society (Gregory, 2012, pp. 276-281). But why and how did an ideological shift towards the idea of material wealth and possessions as the „good life“ happen?

From an ideological stance, believing in one's interest and money-making was seen as a way out of several issues. Firstly, self-interest was a hope for a viable social order due to its predictability. After the religious wars and political instability of the sixteenth century, including the German Peasants' War (1524-1525), the French Wars of Religion (1562-1598), and the Eighty Years' War (1568-1648), contemporary thinkers such as Niccolò Machiavelli (1469-1527) and Thomas Hobbes (1588-1679) had pessimistic views of human nature.[17] Passionate behavior, encompassing greed, ambition, envy, and lust, was seen as inconsistent and dangerous. In contrast, following one's interest based on reason promised to establish a stable social order (A. O. Hirschman, 1997, pp. 48-53). A decline of the heroic ideal of glory accompanied the rise of interest. While scholars of the seventeenth century, particularly in France, contributed to the „demolition of the hero“ (ibid., pp. 11-12), the pursuit driven by self-interest was valued. Self-interest was perceived as steadfast, single-minded, and predictable compared to the turbulent behavior associated with passions. The original broad sense of interest was associated with the passion for acquiring wealth, which reflected the cultural shift towards valuing economic activities and accumulating money (ibid., p. 54). Secondly, money-making was perceived as innocent compared to the preceding religious and political power struggles. Especially during the expansion of commerce and industry in the seventeenth

[17] We are reminded that scholars like Francis Bacon, René Descartes, and Thomas Hobbes advocated for a mechanistic description of the cosmos, life, and society during the early modern period, as discussed in Chapter 2.3.2. From a mechanistic stance, the human body was understood as machine-like, while the self was seen as an autonomous, rational master of the passions. This perspective emphasized the predictability and determinism of natural laws, leading to the belief that human behavior could similarly be understood and predicted through rational analysis. We will explore how this dogma found expressions in Jeremy Bentham's utilitarian philosophy (Chapter 3.1.4.2) and neoclassical economics (3.1.8).

and eighteenth centuries, money-making was an honored occupation and was viewed positively. The rational calculus promised both rulers and ruled to live disciplined and calm with each other (A. O. Hirschman, 1997, p. 129). Lastly, the devastating impact of religious wars led Christians across confessional boundaries to prioritize coexistence and tolerance over religious conflict. As people turned away from traditional religious teachings about material possessions, a desire for economic prosperity and an improved quality of life for all, irrespective of religious beliefs, emerged. This transition involved the privatization of religious practices, the separation of economic life from religious constraints, and the reorientation of the common good towards the state, laying the groundwork for modern nationalism (Gregory, 2012, p. 278).

In a time of the search for a stable social order and a change in people's thinking about property and prosperity, John Locke contributed to a liberal society. Let us see what Locke thought about human nature and the expropriation of common land.

3.1.2 The Rise of Liberalism

3.1.2.1 John Locke

In 1689, John Locke (1632-1704) published his *Two Treatises of Government*, which was influenced by the previously mentioned war period in Europe and Hobbes's described state of nature („war of all against all“) in his *Leviathan* (1651). Locke states that although individuals in the state of nature possess absolute freedom and sovereignty over themselves and their possessions, this freedom is inherently precarious and vulnerable to infringement by others. In this state, where everyone is equal and not necessarily committed to justice, individuals face constant threats and dangers to their property rights. Consequently, people are inclined to surrender some of their freedom and form societies to protect their lives, liberties, and property collectively. This mutual agreement to unite in society is driven by the desire for security and the preservation of their fundamental rights, which Locke refers to as „property“ in its broadest sense (Locke, 2003, pp. 154-155).

> „Thus mankind, notwithstanding all the privileges of the state of nature, being but in an ill condition, while they remain in it, are quickly driven into society. Hence it comes to pass, that we seldom find any number of men live any time together in this state. The inconveniencies that they are therein exposed to, by the irregular and uncertain

> exercise of the power every man has of punishing the transgressions of others, make them take sanctuary under the established laws of government, and therein seek the preservation of their property.“ (Locke, 2003, p. 155)

To ground his argument for property, Locke cites the bible and states that God „has given the earth to the children of men[;] given it to mankind in common“ (ibid., p. 111). The world, hence, belongs to humanity. Humans can „make use of it to the best advantage of life and convenience. The earth, and all that is therein, is given to men for the support and comfort of their being“ (ibid., p. 111). In line with the concept of the Great Chain of Being, other living beings are seen as inferior and belong to humankind in common. The only thing that does not belong to all humankind is the individual's own labor.

> „The labour of his body, and the work of his hands, we may say, are properly his. Whatsoever then he removes out of the state that nature hath provided, and left it in, he hath mixed his labour with, and joined to it something that is his own, and thereby makes it his property. It being by him removed from the common state nature hath placed it in, it hath by this labour something annexed to it that excludes the common right of other men. For this labour being the unquestionable property of the labourer, no man but he can have a right to what that is once joined to, at least where there is enough, and as good, left in common for others.“ (ibid., pp. 111-112)

According to Locke, only labor mixed with natural resources justifies appropriating things common to all humanity. By working, processing, and producing something, a human turns a resource from a common resource to their own. Labor, hence, adds something more than what nature has provided. This addition distinguishes between the common and the laborer and makes it their private right. Locke, however, restricts the appropriation of the common. „As much as any one can make use of to any advantage of life before it spoils, so much he may by his labour fix a property in: whatever is beyond this, is more than his share, and belongs to others. Nothing was made by God for man to spoil or destroy“ (ibid., p. 113). People may only appropriate as much as they can use or consume without waste, „but if they perished, in his possession, without their due use; if the fruits rotted, or the venison putrefied, before he could spend it; he offended against the common law of nature, and was liable to be punished; he invaded his neighbour's share, for he had no right, farther than his use called for any of them, and they might serve to afford him conveniencies of life“ (ibid.,

p. 115). By only taking what one needs, humans would not waste the common stock and destroy no portions of goods that belong to others (Locke, 2003, p. 120). But what kind of things neither spoil nor decay?

Locke assumes that where there are things that last, are scarce, and are valuable, people would hoard them and seek to accumulate them. When something like money becomes valuable among neighbors, Locke states, individuals begin to expand their land holdings. He points out that using money enables the accumulation of land beyond what one can personally use. This inequality in land ownership arises without explicit agreement. It emerges solely through money, as individuals accumulate land beyond personal use, facilitated by currency's value. For this reason, Locke argues that in large-scale societies, laws enacted by the state should govern property rights, and land ownership should be established through official constitutions (ibid., p. 121). However, the legislative power of societies should only extend as far as necessary to secure the common good and protect everyone's property rights. Those in positions of authority within the society, such as the legislative or supreme power, have a duty to govern according to established laws, ensure impartial adjudication of disputes, and utilize the community's force for the maintenance of peace, safety, and the public welfare (ibid., pp. 156-157). Locke summarizes:

> „The law man was under was rather for appropriating. God commanded, and his wants forced him to labour. That was his property which could not be taken from him wherever he had fixed it. And hence subduing or cultivating the earth, and having dominion, we see are joined together. The one gave title to the other. So that God, by commanding to subdue, gave authority so far to appropriate: and the condition of human life, which requires labour and materials to work on, necessarily introduces private possessions." (ibid., p. 114)

Overall, Locke states that people naturally possess authority over themselves and their possessions but form societies to protect these rights collectively. Things become their property when they mix their labor with resources and acquire ownership of them. Locke advises against wastefulness and acknowledges the emergence of inequality, primarily through the use of money. Locke argues for laws to govern property rights, emphasizing the responsibility of authorities to uphold these laws for peace and welfare.

3.1.3 Historical Context - The Eighteenth Century

The eighteenth century consolidated positive attitudes towards economic enterprise and private property. In the spirit of wealth accumulation, laws facilitated the conversion of common land through enclosure Acts in England, allowing landowners to claim communal land as their own. This enclosure of common land, previously used by many small farmers by a few wealthy cattle breeders, led to the displacement of many families and depopulation (Marx, 1867, p. 5). Let us look closely and review a few historical records of the eighteenth century. In regards to the dissolution of common land and accumulation of private land, in 1779, Thomas Wright wrote in *A Short Address to the Public on the Monopoly of Large Farms*:

> „In several parishes of Hertfordshire, 24 farms, numbering on the average 50-150 acres, have been melted up into three farms." (Wright, 1779, as cited in Marx, 1867)

Reverend Addington, who was a clergyman and author of *Inquiry into the Reasons for or against Enclosing Open Fields* observed in 1772:

> „In Northamptonshire and Leicestershire the enclosure of common lands has taken place on a very large scale, and most of the new lordships, resulting from the enclosure, have been turned into pasturage, in consequence of which many lordships have not now 50 acres ploughed yearly, in which 1,500 were ploughed formerly. The ruins of former dwelling-houses, barns, stables, &c. An hundred houses and families have in some open-field villages dwindled to eight or ten.... The landholders in most parishes that have been enclosed only 15 or 20 years, are very few in comparison of the numbers who occupied them in their open-field state. It is no uncommon thing for 4 or 5 wealthy graziers to engross a large enclosed lordship which was before in the hands of 20 or 30 farmers, and as many smaller tenants and proprietors. All these are hereby thrown out of their livings with their families and many other families who were chiefly employed and supported by them." (Addington, 1772, as cited in Marx, 1867)

In *The State of the Poor* published in 1797, the economist Sir Frederick Morton Eden approved the process of enclosing common land and concluded:

> „The due proportion between arable land and pasture had to be established. During the whole of the 14th and the greater part of the 15th century, there was one acre of pasture to 2, 3, and even 4 of arable land. About the middle of the 16th century the proportion was changed of 2 acres of pasture to 2, later on, of 2 acres of pasture to one of arable, until at last the just proportion of 3 acres of pasture to one of arable land was attained." (Morton, 1797, as cited in Marx, 1867)

John Arbuthnot, a British agriculturist and the Inspector General of the Irish Linen Board, saw these social changes in a positive light. In *An inquiry into the connection between the present price of provisions, and the size of farms.*, in 1773 Arbuthnot wrote:

> „Not is it a consequence that there must be depopulation, because men are not seen wasting their labour in the open field.... If, by converting the little farmers into a body of men who must work for others, more labour is produced, it is an advantage which the nation should wish for... the produce being greater when their joint labours are employed on one farm, there will be a surplus for manufactures, and by this means manufactures, one of the mines of the nation, will increase, in proportion to the quantity of corn produced.“ (Arbuthnot, 1773, as cited in Marx, 1867)

Richard Price (1723–1791), a Welsh moral philosopher and political economist, interpreted the conversion of peasants to industrial wage workers from a more critical stance:

> „Upon the whole, the circumstances of the lower ranks of men are altered in almost every respect for the worse. From little occupiers of land, they are reduced to the state of day-labourers and hirelings; and, at the same time, their subsistence in that state has become more difficult.“ (Price, 1843, as cited in Marx, 1867)

Even Sir Frederick Morton Eden, who welcomed the enclosure of common land, recognized the decrease of wages under the minimum by saying that the wages „were not more than enough for the absolute necessaries of life“ (Marx, 1867, p. 7). Against this background, Price reflected on the land dispossession of the eighteenth century in England:

> „When this land gets into the hands of a few great farmers, the consequence must be that the little farmers [...] will be converted into a body of men who earn their subsistence by working for others, and who will be under a necessity of going to market for all they want.... There will, perhaps, be more labour, because there will be more compulsion to it.... Towns and manufactures will increase, because more will be driven to them in quest of places and employment. This is the way in which the engrossing of farms naturally operates. And this is the way in which, for many years, it has been actually operating in this kingdom.“ (Price, 1843, as cited in Marx, 1867)

Materially, the eighteenth century can be characterized by the increased use of land expropriation practices. The new, now more established class of entrepreneurs

appropriated the common land, first under the old feudal rules and later under the laws of the constitutional state. Privatizing land resulted in the loss of many people's homes and continued the depopulating tendencies of the previous centuries. The process of enclosing common land forced farmers into wage labor, transforming them from agricultural into industrial workers. The resulting large farms contributed to the worsening of people's working and living conditions. While, in the last decade of the seventeenth century, the class of independent farmers, the yeomanry, was still more numerous than the peasant class, by 1750, the yeomanry had disappeared in England. The disappearance of the yeomanry was followed in the last decade of the eighteenth century by the vanishing of the last common land of agricultural laborers (Marx, 1867, p. 4).

Ideally, academic discourse continued to advocate for the idea that controlling the passions of the powerful through promoting private profit-seeking endeavors, particularly in governance, was essential. Adam Smith's work, however, redirected this focus towards highlighting the economic advantages of allowing individuals to pursue their self-interests freely, which marked a turning point in economic-political thinking, laying the foundations of classical economics. To understand what classical economics is, we will look at the contributions of Adam Smith, Jeremy Bentham, and James Mill.

3.1.4 The Foundations of Classical Economics

3.1.4.1 Adam Smith

In *The Wealth of Nations*, published in 1776, Adam Smith (1723-1790) examines the workings of the economies of his time through observation, reasoning, and historical analysis. Smith's exploration of economic principles lays out ideas on the nature and causes of the wealth of nations. In our brief review of the vast landscape *The Wealth of Nations* covers, we will focus on the division of labor, the free market economy, and the role of government.

Smith welcomes the idea of the division of labor and presents its benefits. His well-known example is the pin-making manufactory. While one worker responsible for the whole production line struggles to make a single pin, specialized workers who distribute the tasks produce many pins. A division of labor increases productivity by making production processes more efficient (Smith, 1977, pp. 18-19). However, the

phenomenon of division of labor, as Smith argues, is not planned by the people who own the means of production. The division of labor seems to be a natural consequence of advanced trade and exchange practices. „This leads to specialization over time, where people focus on what they're good at, which helps make goods more efficiently" (Smith, 1977, p. 29). For this reason, we find divisions of labour in manufacturing and the economy as a whole.

> „The woollen coat, for example, which covers the day-labourer, as coarse and rough as it may appear, is the produce of the joint labour of a great multitude of workmen. The shepherd, the sorter of the wool, the wool-comber or carder, the dyer, the scribbler, the spinner, the weaver, the fuller, the dresser, with many others, must all join their different arts in order to complete even this homely production. How many merchants and carriers, besides, must have been employed in transporting the materials from some of those workmen to others who often live in a very distant part of the country!" (ibid., p. 26)

Therefore, more complex economies are divided by different trades and occupations, which significantly increases productivity across various industries (ibid., p. 19). Through the interplay of many actors in the economic sphere, national economies will grow and create wealth. Here, we encounter Smith's famous „invisible hand" argument.

The national economy works best, in Smith's point of view, when each individual voluntarily participates in economic transactions, pursuing their interest: „It is not from the benevolence of the butcher, the brewer, or the baker that we expect our dinner, but from their regard to their own interest. We address ourselves, not to their humanity but to their self-love, and never talk to them of our own necessities but of their advantages" (ibid., pp. 30-31). Smith assumes that the transactions entered into are always based on the benefit of both business parties. „Whoever offers to another a bargain of any kind, proposes to do this. Give me that which I want, and you shall have this which you want, is the meaning of every such offer; and it is in this manner that we obtain from one another the far greater part of those good offices which we stand in need of" (ibid., p. 30). A free market economy is necessary for them to pursue their interest in economic transactions voluntarily. Free markets imply minimal government involvement, allowing markets to operate freely without undue regulation or interference. With this idea, Smith laid the foundation for the laissez-faire economic

doctrine that will accompany us on our historical journey up to the contemporary economists. A free market enables individuals to invest capital to maximize their profits and choose employment to maximize their wages. The constant striving of most people to improve their economic and social situation gives individuals the incentive to direct their economic activities towards wealth creation, ultimately increasing society's overall wealth.

> „As every individual, therefore, endeavours as much as he can both to employ his capital in the support of domestic industry, and so to direct that industry that its produce may be of the greatest value; every individual necessarily labours to render the annual revenue of the society as great as he can. He generally, indeed, neither intends to promote the public interest, nor knows how much he is promoting it. By preferring the support of domestic to that of foreign industry, he intends only his own security; and by directing that industry in such a manner as its produce may be of the greatest value, he intends only his own gain, and he is in this, as in many other cases, led by an invisible hand to promote an end which was no part of his intention." (Smith, 1977, p. 593)

Smith's „invisible hand" argument is subject to a great discussion around its empirical and moral meaning (Bishop, 1995). We will not engage with it here. What is noteworthy for our purposes is that Smith, also a moral philosopher, was suspicious of merchants and manufacturers because „the rate of profit does not, like rent and wages, rise with the prosperity and fall with the declension of the society. On the contrary, it is naturally low in rich and high in poor countries, and it is always highest in the countries which are going fastest to ruin" (Smith, 1977, p. 347). Smith hence identifies a gap between the merchant's and manufacturer's interests in pursuing profits and the public interest, which apparently does not apply to laborers and landlords.

> „The interest of the dealers, however, in any particular branch of trade or manufactures, is always in some respects different from, and even opposite to, that of the public. To widen the market and to narrow the competition, is always the interest of the dealers. To widen the market may frequently be agreeable enough to the interest of the public; but to narrow the competition must always be against it, and can serve only to enable the dealers, by raising their profits above what they naturally would be, to levy, for their own benefit, an absurd tax upon the rest of their fellow-citizens." (ibid., p. 348)

Merchants and manufacturers' self-interested maximization of profits does not promote the public interest. On the contrary, businesspeople make profits at the expense of society and tend to enrich themselves with more than they need to live.

> „People of the same trade seldom meet together, even for merriment and diversion, but the conversation ends in a conspiracy against the public, or in some contrivance to raise prices. It is impossible indeed to prevent such meetings, by any law which either could be executed, or would be consistent with liberty and justice. But though the law cannot hinder people of the same trade from sometimes assembling together, it ought to do nothing to facilitate such assemblies, much less to render them necessary.“ (Smith, 1977, p. 183)

Smith remarks on the „zeal and unanimity any reduction in the numbers of forces with which master manufacturers set themselves against every law that is likely to increase the number of their rivals in the home market; [...] to diminish in any respect the monopoly which our manufacturers have obtained against us“ (ibid., p. 614-615). Even though Smith does not believe that the law can prevent price agreements between people of the same trade, the government should at least not encourage or facilitate such activities.

Contradictory interests are also found in the relation between employer and employee. Smith states that „[m]asters[, that is, employers,] are always and everywhere in a sort of tacit, but constant and uniform combination, not to raise the wages of labour above their actual rate“ (ibid., p. 99).

As we have seen, due to the division of labor, individuals rely on the labor of others for the majority of their needs. Based on this circumstance, Smith states that the more labor a person can purchase and command, the wealthier they are likely to be. Conversely, those who can afford and command less labor are more likely to be poor. „The value of any commodity, therefore, to the person who possesses it, and who means not to use or consume it himself, but to exchange it for other commodities, is equal to the quantity of labour which it enables him to purchase or command“ (ibid., p. 50). That is why labor is considered the true measure of the exchangeable value of all goods. Smith, therefore, sees money and goods as stored labor, as they are exchanged for goods and services that also require labor (ibid., p. 51).[18]

Smith ascribes three duties to the state. First, the state must protect the society from violence and invasion by other societies. This duty justifies the necessity and maintenance of a military force (ibid., p. 922). Second, the state has to protect every

[18] The so-called labor theory of value was the dominant theory in classical economics that explained value creation until neoclassical economists replaced it with the subjective theory of value in the second half of the nineteenth century.

member of its society from the injustice or oppression of others. This duty requires the establishment of an effective system of justice to ensure fairness and protect individual rights (Smith, 1977, p. 946). Lastly, the state must establish and maintain public institutions and works everywhere where it is not feasible for individuals or small groups to provide such goods or services. These public institutions and works could include infrastructure, public education systems, and other facilities essential for societal well-being (ibid., pp. 963-964).

> „The consideration of that necessity[,the introduction of civil government,] comes no doubt afterwards to contribute very much to maintain and secure that authority and subordination. The rich, in particular, are necessarily interested to support that order of things which can alone secure them in the possession of their own advantages. Men of inferior wealth combine to defend those of superior wealth in the possession of their property, in order that men of superior wealth may combine to defend them in the possession of theirs. All the inferior shepherds and herdsmen feel that the security of their own herds and flocks depends upon the security of those of the great shepherd or herdsman; that the maintenance of their lesser authority depends upon that of his greater authority, and that upon their subordination to him depends his power of keeping their inferiors in subordination to them. They constitute a sort of little nobility, who feel themselves interested to defend the property and to support the authority of their own little sovereign in order that he may be able to defend their property and to support their authority. Civil government, so far as it is instituted for the security of property, is in reality instituted for the defence of the rich against the poor, or of those who have some property against those who have none at all.“ (ibid., pp. 952-953)

Smith understands the establishment of civil governments primarily to maintain order and protect property rights, especially for the wealthy. Those with less wealth often support and defend the property and authority of the wealthy in exchange for the protection of their possessions, which creates a system where civil government functions to protect the interests of the rich against those who have less or no property. This is precisely where Smith breaks with earlier scholars and makes the protection of private interests the task of the state.

> „It is thus that the private interests and passions of individuals naturally dispose them to turn their stocks towards the employments which in ordinary cases are most advantageous to the society. But if from this natural preference they should turn too much of it towards those employments, the fall of profit in them and the rise of it in all others immediately dispose them to alter this faulty distribution. Without

> any intervention of law, therefore, the private interests and passions of men naturally lead them to divide and distribute the stock of every society among all the different employments carried on in it as nearly as possible in the proportion which is most agreeable to the interest of the whole society.“ (Smith, 1977, p. 835)

Interest and passion are no longer two contradictory forces in human behavior. By equating interests with passions, Smith emphasized the idea that society as a whole benefits when individuals pursue their private interests. The concept of generating profits driven by both passion and self-interest to serve the common good paved a new path in academic discourse. The concept of utilizing self-interest will become a foundational principle of nineteenth-century liberal ideology and economic theory.

Bentham, in particular, emphasized self-interest and founded the philosophical school of utilitarianism, which subsequent liberal economists would later reference, as we will explore further.

3.1.4.2 Jeremy Bentham

Thirteen years after Smith published *The Wealth of Nations*, Jeremy Bentham (1748-1832), a English philosopher and legal theorist, published the book *An Introduction to the Principles of Moral Legislation* in 1789, in which he outlined his ideas on utilitarianism and its application to law and morality. Bentham begins his exposition on moral principles by stating that „[n]ature has placed mankind under the governance of two sovereign masters, pain and pleasure. It is for them alone to point out what we ought to do, as well as to determine what we shall do“ (Bentham, 2000, p. 14). So, pleasure and pain decide what is right and wrong. Moreover, pleasure and pain are inherent within a chain of causes and effects and govern all our actions and thinking. For Bentham, the principle of utility assumes that the principle itself is universal and seeks to increase happiness through reason and law. The principle further serves to approve or disapprove any kind of action. „By utility is meant that property in any object, whereby it tends to produce benefit, advantage, pleasure, good, or happiness, [or] to prevent the happening of mischief, pain, evil, or unhappiness to the party whose interest is considered“ (ibid., pp. 14-15).

Bentham observed that individuals generally act in accordance with their self-interest. Bentham sees the community as a fictitious body made up of individual members.

He defines the community's interest as the sum of the interests of its members. He emphasizes that it is impossible to discuss the interests of the community without first understanding the interests of the individuals who make it up (Bentham, 2000, p. 15). 5). Under these assumptions, the principle of utility states that actions are considered to be in the interest of the community if they tend to increase general happiness or pleasure and decrease general pain or suffering. Bentham claims that an action is in accordance with the principle of utility if its tendency to increase the community's happiness is greater than its tendency to decrease it. People naturally follow the principle of utility without consciously thinking about it (ibid., p. 16).

Consequently, Bentham sees „[t]he business of government [as promoting] the happiness of the society, by punishing and rewarding" (ibid., p. 61). Laws and policies should, therefore, support the principle of utility and encourage behavior that maximizes pleasure and minimizes pain. The utility of an act results from its direct and indirect consequences. „The general tendency of an act is more or less pernicious, according to the sum total of its consequences: that is, according to the difference between the sum of such as are good, and the sum of such as are evil. [...] It is also to be observed, that into the account of the consequences of the act, are to be taken not such only as might have ensued, were intention out of the question, but such also as depend upon the connexion there may be between these first-mentioned consequences and the intention" (ibid., p. 61).

In putting forward his utilitarian argument for morality, Bentham argues that the moral worth of an action is determined by its utility in promoting happiness or pleasure and minimizing pain or suffering for the greatest number of people. The principle of utility serves as a guiding framework for evaluating actions in terms of their impact on overall happiness and well-being. In Bentham's view, the primary goal of legislation and moral principles should be to maximize overall happiness and well-being in society. As we will see, this utilitarian framework serves as the theoretical basis for future economists who assume rational, utility-maximizing human behavior.

3.1.4.3 James Mill

James Mill (1773–1836) was a Scottish philosopher, economist, and political theorist. By following Smith's laissez-faire economics and Bentham's utilitarian philosophy, Mill

significantly shaped classical liberalism and utilitarianism. His *Elements of Political Economy*, published in 1821, advocates for division of labor, a free competitive market, and private property.

The division of labor fulfills a society's task of increasing efficiency and convenience in producing and exchanging goods (J. Mill, 1821, pp. 64-65). The production and exchange of goods reaches its highest potential in a free, competitive market governed by supply and demand. Freedom refers to the freedom of individuals to pursue their interests, that is, to increase their pleasure. Mill assumes that „the merchants, if left to themselves, will always buy in the cheapest market, and sell in the dearest" (ibid., p. 159). Interrelating with the utilitarian behavior of individuals, activities of a free, unregulated market are governed by laws of supply and demand. „All bargains, when left in freedom, are determined by competition, and the terms alter according to the state of supply and demand" (ibid., p. 26). Because of the self-regulating nature of markets, the state should not intervene in the production within an economy.

> „Wherever it is not intended to limit consumption, it seems admitted, even in practice, that the demand will always regulate the supply, in the manner in which the benefit of the community is best consulted. The most stupid governments have not thought of giving a premium for the making of shoes, or imposing a preventive tax upon the production of stockings, in order to enrich the country by making a greater quantity of shoes, and a less quantity of stockings. With a view to the internal supply, it seems to be understood that just as many shoes, and just as many stockings, should be made, as there is a demand for." (ibid., p. 157)

According to Mill, competition plays not only an important role to guarantee smooth and efficient market activities. Competition among stakeholders effectively protects society from market interruptions and inconveniences. He states that „[a]nother great advantage is gained by the scheme of numerous banks, each supplying, under the safe-guard of freedom and competition, a limited district; that if one of them fails, the evil is limited, and produces inconvenience to but a small portion of the community" (ibid., p. 111). But what characterizes the production processes of a free, competitive market economy based on the division of labor?

One essential characteristic is the relationship between labor and capital. Labor, as we have seen with Locke, is a productive effort exercised by an individual. If the effort is applied to a resource in its natural state, the individual can claim ownership due to

the transformation process. In contrast, capital is, for Mill, „the result of production; it is a part of the annual produce of the land and labour of the country, gradually accumulated. [...] All capital, therefore, is made out of that part of the annual produce which, instead of being devoted to consumption and enjoyment, is saved“ (J. Mill, 1821, p. 35).

When capital results from production based on land and labor, somebody has to bring these components together. This somebody is the owner of capital, and that person can employ the means of production and labor to accumulate more capital. Since the owner of capital - the capitalist - invests their capital in production processes, they intend to make profits by buying and selling commodities. But how about the worker's portion of the profit produced through their labor? After all, workers transform the resource into the end product with their effort. Mill argues that laborers are compensated for their contribution to production through wages. „When the share of the commodity which belongs to the labourer has been all received in the shape of wages, the commodity itself belongs to the capitalist, he having, in reality, bought the share of the labourer and paid for it in advance“ (ibid., p. 24). Therefore, the wages paid to labor represent the portion of the commodity's value that is contributed by the labor. The capitalist essentially buys the share of the laborer by paying them wages. The profit made is, in turn, the compensation of the capitalist for their investment in this production process. The capitalist can now invest their accumulated capital in other production activities. Mill summarizes:

> „In the greater number of cases, however, especially in the more improved stages of society, the labourer is one person, the owner of the capital another. The labourer has neither raw material nor tools. These requisites are provided for him by the capitalist. For making this provision the capitalist, of course, expects a reward.“ (ibid., p. 24)

Following Smith, Bentham, and Mill, this capitalist mode of production is an efficient way of maximising wealth and utility. But how does this dynamic shape society as a whole?

Mill acknowledges that a capitalist market economy leads to differing societal classes. In his view, it is important to have a class of individuals who have the means to dedicate their time to pursuits beyond mere subsistence. Once individuals are freed from financial worry and enjoy wealth and freedom, they play a crucial role

in advancing knowledge, spreading education, and contributing to societal progress (J. Mill, 1821, pp. 48-49). A middle class of individuals is neither burdened by poverty nor enriched by extreme wealth. Middle-class people are freed from the necessity of manual labour and empowered with leisure time to engage in enriching and fulfilling occupations that enhance overall happiness and contribute to societal well-being (ibid., pp. 49-50). However, Mill suggests that a society should not have the majority of the population live solely on wages without the opportunity for higher levels of enjoyment and engagement. From Mill's perspective, the situation of a wage laborer is unfavorable for human happiness. In conclusion, maintaining a proper balance between population growth, capital investment, and the availability of labor is crucial for ensuring society's wealth „on the largeness of which the happiness of society to so great a degree depends" (ibid., p. 50).

3.1.5 Historical Context - The Nineteenth Century

By 1750, religion and its moral guidelines had become irrelevant to economic realities, and pursuing material goods guided by the market's „invisible hand" and technological advancement had become paramount. The distinction between material accumulation for human flourishing and personal desire remained ambiguous, often reflecting the living standard of an individual and their perceptions of taste, fashion, and respectability (Gregory, 2012, pp. 279-280). Montesquieu's observation about commercial ambitions in 1748 further illustrated this shift:

> „One commerce leads to another, the small to the middling, the middling to the great, and he who earlier desired to gain little arrives at a position where he has no less of a desire to gain a great deal." (Montesquieu, 1989, as cited in Gregory, 2012)

The tendency towards material accumulation was accompanied by an intensification of land appropriation by profit-driven people and a shift in the social order. As we have seen, the eighteenth century in England was characterized by turning common land into private property. The privately owned land could then be employed to make profits, which drove landowners to convert arable land into pastureland due to the rise of the wool industry. Villages were destroyed, and populations were forced to relocate. This change deprived farmers, who made up most of the population, of their livelihoods. This point of departure has two implications for our concern in understanding the

development of neoliberal capitalism. One is directed towards land, and the other towards labor. First, the introduction of private property and privatization of land enabled people to pursue profits and buy and sell land. In other words, land was turned into a commodity that could be bought and sold on a market (Polanyi, 2001, p. 75). Second, many peasants who lost their homes and work moved to industrial towns to find jobs in factories. Since those industrial facilities were already operating under capitalist modes of production, job-seeking people had to sell the only thing they had, their own labor, to make a living.

As the references presented indicate, owners of capital did not have significant incentives to pay high wages to their workers. High wages meant higher costs and fewer profits. Many people, hence, lived under precarious conditions. The state reacted with legislative means. The Speenhamland Law, implemented in England in 1795, was a system of poor relief that provided subsidies towards the wages of low-income workers. The so-called „right to live“ aimed to counteract widespread poverty by ensuring that workers and their families received sufficient income. The amount of support payments was based on the current price of bread and the size of the employee's family. The supplements were funded by local taxes on landowners and farmers (ibid., p. 82). Initially, the Speenhamland system was widely embraced, as it relieved parents of childcare concerns, allowed employers to lower wages freely, and ensured laborers were not left hungry regardless of their work status. In the long term, however, it led to disastrous consequences. Subsidized wages eventually became unsustainable, leading to widespread pauperization of rural communities. „Speenhamland was designed to prevent the proletarianization of the common people, or at least to slow it down. The outcome was merely the pauperization of the masses, who almost lost their human shape in the process“ (ibid., p. 86). The system's failure served as a stark lesson, prompting reforms like the Reform Bill of 1832 and the Poor Law Amendment of 1834, which marked the transition from the benevolent landlord's allowance system to modern capitalism (ibid., pp. 83-84).

As goods, services, land, and money were increasingly treated as commodities bought and sold on free markets, labor was the only aspect that had not yet fully integrated into the market economy. The Speenhamland Law prevented the creation of a labor market in England during the peak of the Industrial Revolution. However, after

the Poor Law Amendment of 1834, labor moved freely across the competitive labor market (Polanyi, 2001, p. 81). Since, in England, laissez-faire primarily referred to freedom from production regulations, people were left to their fate, detached from their traditional social structures (ibid., p. 143). In addition to uprooting millions of people and impoverishing many groups, cyclical economic depressions caused mass unemployment (A. O. Hirschman, 1997, p. 126). To address these issues, laborers organized themselves into unions, and new regulations, such as factory laws, were introduced to protect workers from market forces. The result of this proletarianization was a laboring poor class.

An enormous transformation in manufacturing technologies, consumer goods, and consumption practices drove many people's social upheavals and precarious situations in the nineteenth century. The Industrial Revolution turned Western countries into material cultures, producing for mass consumption. Capitalists exercised their freedom, followed their interests, and increased their wealth. More and more middle class people could afford and consume various goods manufactured by laborers. Wage laborers sold their labor, lived at the edge of poverty, and produced goods for a rising consuming culture (Gregory, 2012, pp. 287-290).

In the aftermath of Speenhamland and the Poor Law Reform, scholars focused on collective well-being and understanding how the new social order works. Scholars devoted themselves to this task through the lens of political economy. The discipline wrestled with reconciling the harsh economic realities of the time with concepts of freedom and progress. This period sparked great optimism about humanity's potential for improvement and deep concern over the hardships caused by poverty and population growth (Polanyi, 2001, p. 88). For this reason, we will review the work of John Stuart Mill, who included the social aspect in political economics, Frederic Bastiat, who suggested a pure form of laissez-faire, and Herbert Spencer, who tried to combine liberal philosophy with the harsh living conditions of many people in industrial nineteenth-century Europe.

3.1.6 The Golden Age of Liberalism

3.1.6.1 John Stuart Mill

Surrounded by the industrial upheaval of the nineteenth century, John Stuart Mill (1806-1873), a British philosopher, economist, political theorist, and son of James Mill, puts forward a more nuanced understanding of political economy by emphasizing the importance of considering social welfare. To better understand how liberal capitalism has developed theoretically, we will focus on its insights into private property, capital, the steady state of growth, and social impact.

Mill notes that „[t]he current social order is based on the motives of private property and individual competition“ (J. S. Mill, 2009, p. 84). In his view:

> „The institution of property, when limited to its essential elements, consists in the recognition, in each person, of a right to the exclusive disposal of what he or she have produced by their own exertions, or received either by gift or by fair agreement, without force or fraud, from those who produced it. The foundation of the whole is, the right of producers to what they themselves have produced. Nothing is implied in property but the right of each to his (or her) own faculties, to what he can produce by them, and to whatever he can get for them in a fair market: together with his right to give this to any other person if he chooses, and the right of that other to receive and enjoy it.“ (ibid., p. 87)

Property acknowledges individuals' rights to control what they have made, acquired through fair means, or exchanged without coercion or deception. Even though these rights grant owners to do whatever they wish to do with their property, Mill restricts it in regards to landownership.

> „While the absolute ownership of movable goods, produced through labor, is generally justified, the same cannot be said for land. Land, being the original inheritance of humanity, should not be subject to exclusive ownership unless it can be shown to produce positive benefits for society. The text emphasizes that owning land is a privilege, as it denies others access to a common resource. Even when land is cultivated, owners should be morally and legally obligated to use it in a manner consistent with the public good.“ (ibid., p. 88)

In Mill's observation, more effort is put into accumulating capital where capital is better secured. Fewer people will save money in places where property rights are uncertain or economic hardships are common. And among those who save, many

will demand higher investment returns to compensate for the risks and uncertainties (J. S. Mill, 2009, p. 64). This dynamic seems to be true for other industries as well. Mill finds that fewer bills are created and circulated when specific trades become less profitable. Conversely, when other trades become profitable, bills related to those trades increase. „Thus capital runs as surely and instantly where it is most wanted, and where there is most to be made of it, as water runs to find its level“ (ibid., p. 112)

As we have seen, for James Mill, capital was a part of the annual produce of the country's land and labour, gradually accumulating. John Stuart Mill adds further nuances to the term. For him, capital is not simply determined by the type of goods or commodities but rather by the intention of the capitalist to use them for productive purposes. In this sense, „all property, however ill adapted in itself for the use of laborers, is a part of capital, so soon as it, or the value to be received from it, is set apart for productive reinvestment“ (ibid., p. 37). A commodity, which can be land, raw materials, machinery, tools, or factories, is not capital. It turns into capital as soon as the owner employs and invests it to generate profits and/or to accumulate further capital. As a general rule, „[t]he greater the profit that can be made from capital, the stronger is the motive to its accumulation“ (ibid., p. 63). Mill adds that capital is a result of abstinence. When a capitalist decides to save their accumulated capital, they must receive benefits in return along with labor. Mill calls the return from abstinence profit, which is not just the capitalist's surplus but also a significant part of the production costs. Thus, profits, „as well as wages, enter into the cost of production which determines the value of the produce“ (ibid., p. 133).

If we look at capital from a more distant point of view, the amount of capital available for investment limits the industry in which it is employed. An economy can also reach a steady state of development where growth levels off:

> „When a country has carried production as far as in the existing state of knowledge it can be carried with an amount of return corresponding to the average strength of the effective desire of accumulation in that country, it has reached what is called the stationary state; the state in which no further addition will be made to capital, unless there takes place either some improvement in the arts of production, or an increase in the strength of the desire to accumulate. In the stationary state, though capital does not on the whole increase, some persons grow richer and others poorer. Those whose degree of providence is below the usual standard become impoverished, their capital perishes, and makes room for the savings of those whose effective desire of accumulation exceeds

> the average. These become the natural purchasers of the lands, manufactories, and other instruments of production owned by their less provident countrymen.“ (J. S. Mill, 2009, pp. 65-66)

When there is no further increase in capital unless there are improvements in production methods or a stronger desire to accumulate wealth, some individuals, as Mill states, may become richer while others become poorer. For this reason, Mill sees government intervention in addressing inequalities and promoting social progress as appropriate. This intervention accounts for the social upheavals and the precarious circumstances of wage laborers. Mill goes even further and wants to encourage or educate the labor class to save their money, so they, too, use it as capital and invest it. The return of investment

> „is the fundamental motive underlying the effective desire of accumulation, and is far more important than any other. It is, in short, the test of civilization. In order to induce the laboring-classes to improve their condition and save capital, it is absolutely necessary to excite in them (by education or religion) a belief in a future gain greater than the present sacrifice. It is, to be sure, the whole problem of creating character, and belongs to sociology and ethics rather than to political economy.“ (ibid., p. 64)

By engaging in capital-accumulating activities, laborers can improve their situation and ensure enough sustenance to survive.

In contrast to Mill's idea of an intervening state that provides for basic social needs, Bastiat presents the idea that people in a society should be left entirely to their own devices. The powers of the state are severely restricted by law.

3.1.6.2 Frederic Bastiat

Frederic Bastiat (1801-1850) was a French economist and liberal who tried to merge liberal ideas of freedom and human progress with the social upheaval the Industrial Revolution caused. In doing so, Bastiat contrasted John Stuart Mill's view on state intervention. In *The Law*, published in 1850, Bastiat advocates for non-government intervention and depicts a society where individuals are left alone based on a fixed juridical framework: *The Law*.

Bastiat's political conception is rooted in Christian cosmology. God equipped humans with marvelous faculties and entrusted them with the responsibility of preserving, developing, and perfecting the world. God's created world consists of various natural

resources, which humans can convert into products and use. „This process is necessary in order that life may run its appointed course,“because life cannot maintain itself alone (Bastiat, 1998, p. 1).

All of humanity shares the aspiration of self-preservation and self-development: „And if everyone enjoyed the unrestricted use of his faculties and the free disposition of the fruits of his labor, social progress would be ceaseless, uninterrupted, and unfailing“ (ibid., p. 5). Bastiat also attributes selfish and utility-maximizing tendencies to human nature. „When they can, they wish to live and prosper at the expense of others. [History reveals] the incessant wars, mass migrations, religious persecutions, universal slavery, dishonesty in commerce, and monopolies. This fatal desire has its origin in the very nature of man - in that primitive, universal, and insuppressible instinct that impels him to satisfy his desires with the least possible pain“ (ibid., pp. 5-6). Bastiat follows Bentham's utilitarianism and Locke's philosophy of labor and property:

> „Man can live and satisfy his wants only by ceaseless labor; by the ceaseless application of his faculties to natural resources. This process is the origin of property. But it is also true that a man may live and satisfy his wants by seizing and consuming the products of the labor of others. This process is the origin of plunder.“ (ibid., p. 6)

In order to prevent injustices, the law, as the collective organization of the individual right to lawful defense, must be in place:

> „If every person has the right to defend - even by force - his person, his liberty, and his property, then it follows that a group of men have the right to organize and support a common force to protect these rights constantly. Thus the principle of collective right - its reason for existing, its lawfulness - is based on individual right. And the common force that protects this collective right cannot logically have any other purpose or any other mission than that for which it acts as a substitute.“ (ibid., p. 2)

Moreover, the law cannot destroy a person, liberty, or property. Bastiat even further describes juridical justified state intervention as a converted right of plunder. Those rights would exploit persons, liberty, and properties (ibid., pp. 4-5). The law, for example, should not promote equality of income. If the law did so, it would be an instrument of plunder. „With this in mind, examine the protective tariffs, subsidies, guaranteed profits, guaranteed jobs, relief and welfare schemes, public education, progressive taxation, free credit, and public works. You will find that they are always based on legal plunder, organized injustice“ (ibid., p. 27). Hence, the government has

only one task: suppressing injustice. If the government ensured only that the law was in place, the society would enjoy the most prosperity and equally distributed. „As for the sufferings that are inseparable from humanity, none would even think of blaming the government for them. This is true because, if the force of government were limited to suppressing injustice, then government would be as innocent of these sufferings as it is now innocent of changes in the temperature“ (Bastiat, 1998, p. 71).[19]

Bastiat tries to harmonize liberal philosophy with classical economic theory. Not only because „we[, liberals,] understand that liberty means competition“ (ibid., p. 61), but also because „the happiest, most moral, and most peaceful people are those who most nearly follow this principle: Although mankind is not perfect, still, all hope rests upon the free and voluntary actions of persons within the limits of right; law or force is to be used for nothing except the administration of universal justice“ (ibid., p. 74). Almost preachily, Bastiat concludes:

> „Look at the entire world. Which countries contain the most peaceful, the most moral, and the happiest people? Those people are found in the countries where the law least interferes with private affairs; where government is least felt; where the individual has the greatest scope, and free opinion the greatest influence; where administrative powers are fewest and simplest; where taxes are lightest and most nearly equal, and popular discontent the least excited and the least justifiable; where individuals and groups most actively assume their responsibilities, and, consequently, where the morals of admittedly imperfect human beings are constantly improving; where trade, assemblies, and associations are the least restricted; where labor, capital, and populations suffer the fewest forced displacements; where mankind most nearly follows its own natural inclinations; where the inventions of men are most nearly in harmony with the laws of God.“ (ibid., p. 74)

While Bastiat advocates minimum state intervention and emphasises individual freedom and property rights as essential to social prosperity and progress, Spencer seeks to ground liberal ideas in a moral framework, advocating decentralized power to prevent abuse by the ruling class and challenging the concept of absolute property rights to land.

[19] Against the background of the Paris Agreement and the agreed 1.5° goal for all nation states, this statement appears out of date in at least two respects.

3.1.6.3 Herbert Spencer

Herbert Spencer (1820–1903) was a prominent English philosopher, biologist, anthropologist, and sociologist who offered another classical liberal position that influenced later scholars. His *Social Statics*, published in 1851, attempts to provide a philosophical grounding for liberal societies. Like other scholars in the liberal tradition, Spencer, too, bases his philosophy on Christian cosmology.

Spencer's argument assumes that God wants humans to be happy. A human attains the state of happiness only by exercising their faculties. Thus, God wants humans to exercise their faculties. In order to use their faculties fully, humans must have liberty. Hence, God wants humans to have liberty (Spencer, 2019, pp. 75-78). This, in short, is how Spencer argues the law of equal freedom: „Every man has freedom to do all that he wills, provided he infringes not the equal freedom of any other man" (ibid., p. 103). If all humans followed the law of equal freedom, then they would be free to use the Earth to satisfy their wants, provided they allow all others the same liberty. Conversely, no one may use the Earth in such a way as to prevent the rest from similarly using it, which would assume that somebody has greater freedom than the rest, and it eventually breaks the law of equal freedom (ibid., p. 114). But why should somebody claim more freedom than others?

> „[Because it] is a tolerably well-ascertained fact that men are still selfish. And that beings answering to this epithet will employ the power placed in their hands for their own advantage is self-evident. Directly or indirectly, either by hook or by crook, if not openly, then in secret, their private ends will be served. Granting the proposition that men are selfish, we cannot avoid the corollary, that those who possess authority will, if permitted, use it for selfish purposes." (ibid., p. 218)

Because of power abuse by the ruling class, Spencer suggests that power and rights should be distributed more widely within society. If power is not decentralized and given to the society, the ruling class would tend to put legislations in place that serve their interest (ibid., p. 220). However, Spencer advocates letting market mechanisms and competition among individuals determine the outcome of economic transaction, rather than legislative intervention (ibid., pp. 384-385). Competition is an essential driver of efficiency, cost-effectivity, and innovation (ibid., p. 394). Although Spencer

carries on the legacy of the liberal, laissez-faire and utilitarian traditions, he takes a radically different stance on the private ownership of land.

Spencer sees a contradiction between private landownership and the law of equal freedom. While Spencer recognizes the importance of private property rights, he argues against the idea of absolute property rights in land. If one person could rightfully own land exclusively, then eventually, private individuals could monopolise all land. He believes monopolies would be contrary to the principle of equal freedom, as they would restrict access to land for others. „For if one portion of the earth's surface may justly become the possession of an individual, and may be held by him for his sole use and benefit, as a thing to which he has an exclusive right, then other portions of the earth's surface may be so held; and eventually the whole of the earth's surface may be so held; and our planet may thus lapse altogether into private hands" (Spencer, 2019, p. 114). As a result, individuals could have power over others by controlling access to resources. This unequal distribution of power undermines the principle of equal freedom because it restricts the freedom of those who do not have access to land (ibid., p. 115).

In answer to the problem, Spencer proposes a system where individuals could lease land from society, paying rent in return for the exclusive use of that land for a specified period. By leasing land from society under agreed-upon terms, individuals could legitimately claim ownership of the produce they obtained from that land after paying rent (ibid., pp. 128-129). Spencer viewed this arrangement as a voluntary agreement between individuals and society, in which both parties benefited without violating the principle of equal freedom. The application will be difficult, though. Spencer challenges Locke's theory of property, practices of land appropriation, and existing land titles.

> „[W]e find yet further reason to deny the rectitude of property, in land. It can never be pretended that the existing titles to such property are legitimate. Should any one think so, let him look in the chronicles. Violence, fraud, the prerogative of force, the claims of superior cunning - these are the sources to which those titles may be traced. The original deeds were written with the sword, rather than with the pen: not lawyers, but soldiers, were the conveyancers: blows were the current coin given in payment; and for seals, blood was used in preference to wax." (ibid., p. 115)

Since many existing land titles were obtained illegally, Spencer questions whether subsequent transfers or claims to the land can create valid ownership rights. He argues that time alone cannot legitimize possession of land. Instead, the right to own land should be on principles of pure equity rather than conventional privilege or legislative convenience. Ultimately, Spencer concludes that humanity's right to the Earth's surface remains valid despite existing deeds, customs and laws relating to individual ownership of land (Spencer, 2019, p. 116).

3.1.7 Historical Context - The Nineteenth Century (Colonial Expansion)

Before delving into the contributions of nineteenth-century liberal economic thinkers considered neoclassical economists, let us focus on the other side of the globe. European powers exported their capitalist mode of production and concepts of private property and wage labor to their colonies. To understand how the world evolved into a global market, it is valuable to briefly examine British colonial practices in India and French colonial practices in Algeria.

India fell under the colonial rule of Great Britain in the later eighteenth century. The British found large peasant societies practicing subsistence agriculture according to traditional customs. As the colonial rulers sought land ownership, they had to find ways to dispossess masses of peasants. To achieve their goals, the British made an appearance of acting for the goodwill and protection of the peasants and surreptitiously deprived them of their livelihood. On the one hand, they needed an enemy image to serve as a helping hand. On the other hand, they needed support from the local population to take root socially. As we will see, the group of people they portrayed as the enemy was the same group providing mediating support (Luxemburg, 1913, p. 5).

Britain artificially created a landed aristocracy at the expense of the ancient property rights of peasant communities. To this end, the British allied themselves with the zemindars, who were Muslim tax collectors. As early as 1793, the British granted land ownership in Bengal to all zemindars. The zemindars were required to increase taxes on the land of the peasant population. However, the tax burden was increased so much that the tax levies caused livelihood problems for the peasants. Usury and civil unrest ensued. The tax-collecting zemindars became the enemy of the peasants (ibid., p. 5).

Under these circumstances, the British acted as a savior by creating juridical conditions to lease and sell land legally, which enabled peasants to „free themselves“ from their debt burden. Thus, large land estates were created in India in a short period, while the peasants in their mass were turned into impoverished laborers who rented their homes on a short-term basis. To accelerate the process of land expropriation, the British enacted another law that eroded the traditional rights of village communities. A forced sale of village land for tax arrears was enacted (Luxemburg, 1913, p. 5).

Due to rampant taxation, peasants were forced to lease or mortgage their land. In vain, the old family groups tried to protect themselves by taking options on their ancestral lands and those of their relatives. Every day, more land passed out of the hands of village communities and into the private hands of individuals. Turbulent peasant uprisings occurred, during which tax collectors were often driven out. In the resulting disorder, British capitalists appropriated a considerable portion of the land (ibid., p. 6). In contrast, the French encountered more resistance from the local communities, so it took them longer to convert the communally managed land into private property.

When the French conquered Algeria in 1830, old social and economic institutions prevailed among the Arab-Kabyl population. Almost half of the productive land was owned jointly by family groups (ibid., p. 7). Close kinship ties and mutual aid bound together these communities. What members of the tribe acquired or needed for their work was the common property of the clan (ibid., p. 8).

French colonial policy in Algeria aimed to introduce private property and expropriate communal land (ibid., p. 9). The destruction of communal property served two purposes. First, it was intended to destroy the social strength of the Arab family groups, which could not be broken despite constant revolts and the military superiority of France. Second, communal property was to be broken up for capitalists to gain access to the economic assets of the conquered land. This move presupposed that the territories had to be seized from the local communities, who had possessed them for a thousand years.

The 1830, 1831, 1840, 1844, 1845, and 1846 decrees legalized the dissolution of Arab family lands and tax increases (ibid., p. 10). Similar to the British in India, the French declared the existence of communal property owned by the clan impossible. The long

series of laws and regulations upset property relations in the countryside. Speculation and usury were commonplace. In most cases, the Arabs managed to buy back the land taken from them, although they became heavily indebted.

A French Senate resolution in 1864 was intended to seal land confiscation for all time. General Allard declared in front of the Senate: „The government does not lose sight of the fact that the general aim of its policy is to weaken the influence of the tribal chieftains and to dissolve the family associations. [...] The surest method of accelerating the process of dissolving the family associations will be to institute private property and to settle European colonists among the Arab families“ (Luxemburg, 1913, pp. 10-11). The result was that by 1873, out of 700 hereditary tracks of land, 400 were divided among the branches of each clan. While some families received 10 acres, others received up to 450 acres (ibid., p. 11). Arab customs, however, prevented further division of the land.

In 1873, the French National Assembly drafted a law with the declared intention of immediately dividing all the lands of all 700 Arab clans and introducing compulsory private ownership in the shortest possible time. With this in mind, representative Humbert declared to the National Assembly the goal of establishing private property among the Arabs (ibid., p. 9). Since these efforts also failed, another law of 1897 and an edict of 1898 refrained from the forced introduction of private property (ibid., p. 13). However, a clause was introduced that allowed an individual owner to claim private property without the consent of the other owners. Since such a „voluntary“ claim could be extorted at any time due to debt and usury pressures, French and native capitalists managed to appropriate and exploit hereditary and clan lands.

In the meantime, industrial capitalism produced various goods at prices that more and more people could afford in Europe. Now seen as consumers, people no longer asked themselves whether they could buy a good but which one they wanted to buy. Economists reflected this dynamic by shifting from a labor theory of value to a subjective theory of value. The rise of neoclassical economics characterizes this shift. To get an idea of what this new generation of economists represented, we will look at the contributions of Stanley Jevons, Léon Walras, and Carl Menger.

3.1.8 The Rise of Neoclassical Economics

3.1.8.1 Stanley Jevons

Stanley Jevons (1835-1882) is considered one of the founders of neoclassical economics. His *The Theory of Political Economy*, published in 1871, significantly contributed to the theory of utility and marginalism and served as the groundwork for new economic thinking. The shift from classical to neoclassical economics is mainly marked by the mathematization of economic theories and a change in the theory of value.

The reason for the mathematization is that neoclassic economists, such as Jevons and Walras, criticized Smith as unscientific due to his lack of methodology. The integration of methods into economic theories meant an orientation towards applied science. Ever since mainstream economics has been using mathematical language to describe economic phenomena, this turn banished the moral foundation of economics. As Jevons states, this enabled the science of economics to „treat men not as they ought to be, but as they are“ (Jevons, 1888, p. 38).

Therefore, Jevons applies mathematical methods to all elements of economic theory, including wealth, utility, value, demand, supply, capital, interest, and labor. The practical implication is that all aspects of economics must be quantified. Once quantified, commodities can be treated as objects moved by the laws of mathematics, explaining supply, demand, and price creation (ibid., pp. 3-4).

Apart from mathematicalizing economic theory, neoclassical thinkers, particularly Jevons, based their theory of value on utility and not on labor, which marks a break from the classical economics tradition that began with Smith. In essence, Jevons derives the value of a commodity from the subjective benefit of the consumer rather than from the work performed and, thus, from production.

> „A great undertaking like the Great Western Railway, or the Thames Tunnel, may embody vast amount of labour, but its value depends entirely upon the number of persons who find it useful. If no use could be found for the Great Eastern steamship, its value would be nil, except for the utility of some of its materials. [...] The fact is, that labour once spent has no influence on the future value of any article: it is gone and lost for ever.“ (ibid., p. 164)

Jevons grounds his theory of value on Bentham's utilitarian approach. The basic assumption is that humans „satisfy [their] wants to the utmost with the least effort -

to procure the greatest amount of what is desirable at the expense of the least that is undesirable - in other words, to maximise pleasure“ (Jevons, 1888, p. 37). From this utilitarian stance, humans act rationally, that is, in a utility-maximizing way. After adding up the factors of suffering and pleasure, humans consciously and unconsciously choose actions that result in the greatest pleasure. However, how does the greatest pleasure translate to maximizing utility?

Commodities bridge the gap between a person's pleasure and an object's utility. For Jevons, commodities are any object, substance, action, or service that can create pleasure and pain. Furthermore, everything that creates pleasure and pain and can, therefore, be desired by a person may possess utility.

> „By utility is meant that property in any object, whereby it tends to produce benefit, advantage, pleasure, good, or happiness (all this, in the present case, comes to the same thing), or (what comes again to the same thing) to prevent the happening of mischief, pain, evil, or unhappiness to the party whose interest is considered.“ (ibid., pp. 38-39)

Before we can understand how Jevons determines the value of a commodity, we need to understand his concept of the final degree of utility. By degree of utility, Jevons means how valuable a commodity is to a person. We can see how valuable a commodity is by having more or less of it to use. The final degree of utility is thus the satisfaction gained from consuming the last portion of a good before a person reaches a point where consuming more of that good would provide diminishing satisfaction or utility. „The value of a commodity hence depends only on the final degree of utility“ (ibid., p. 164).

In contrast to a commodity's value in terms of its final degree of utility, Jevons defined two further kinds of value - the value in use and the value of exchange. While the value of use represents the total utility or satisfaction of consuming a commodity, the value of exchange indicates the ratio of a commodity to another. In contrast to the labor theory of value, the latter value is not an inherent quality of an object but rather a relationship between objects. It represents the ratio at which two commodities are exchanged. The exchange of commodities is a crucial process in maximizing utility and occurs in markets. A market is a situation where „two or more persons dealing in two or more commodities, whose stocks of those commodities and intentions of

exchanging are known to all. It is also essential that the ratio of exchange between any two persons should be known to all the others“ (Jevons, 1888, pp. 85-86).

> „In the Theory of Exchange we find that the possessor of any divisible commodity will exchange such a portion of it, that the next increment would have exactly equal utility with the increment of other produce which he would receive for it. This will hold good however various may be the kinds of commodity he requires.“ (ibid., p. 138)

In this context, Jevons discusses the concept of equilibrium as a state where the utility derived from exchanged goods is maximized for both parties involved in the transaction. Equilibrium is achieved when the exchange ratio between commodities results in equal utility for both parties. This equilibrium point is reached when an infinitely small change in the amount of commodity exchanged does not result in a gain or loss of utility for either party (ibid., p. 96).

> „The Theory of Exchange, as explained above, rests entirely on the consideration of quantities of utility, and no reference to labour or cost of production has been made. The value of a divisible commodity, if I may for a moment use the dangerous term is measured, not, indeed, by its total utility, but by its final degree of utility, that is by the intensity of the need we have for more of it. But the power of exchanging one commodity for another greatly extends the range of utility. We are no longer limited to considering the degree of utility of a commodity as regards the wants of its immediate possessor; for it may have a higher usefulness to some other person, and can be transferred to that person in exchange for some commodity of a higher degree of utility to the purchaser. The general result of exchange is, that all commodities sink, as it were, to the same level of utility in respect of the last portions consumed.“ (ibid., pp. 137-138)

Jevons sets the economics course towards a subjective theory of value by developing a marginal utility theory. As the focus was no longer on producing goods, the consumer and their purchasing decisions now played the central role. Walras took up the subjective approach of value theory and treated the theory with pure science methods.

3.1.8.2 Léon Walras

Léon Walras (1834-1910) advanced the field of economics and elevated it to the status of an exact science. His seminal work, *Elements of Theoretical Economics*,[20] published in 1874, revolutionized the discipline by positing that laws govern economic factors

[20] The book is also known and published under *Elements of Pure Economics*.

such as production, consumption, and distribution. In his quest for pure truths and laws, Walras developed general equilibrium models, which continue to be the bedrock of understanding market activity laws.

> „The theory of the economic production of social wealth, that is, of the organization of industry under the division of labor, is therefore an applied science. That is why we will call it applied economics.“ (Walras, 1896, p. 33)

Walras defines social wealth „as being the totality of all things, material or immaterial, that are valuable and exchangeable, and we will show that all valuable and exchangeable things, and only those things, are useful and at the same time limited in quantity“ (ibid., p. 42). Following Jevons, all things that are valuable and exchangeable are commodities. The value of a good corresponds to its utility. The exchange takes place on markets. In his theory, Walras assumes perfectly free competitive markets because competition is a utility-maximizing principle of the economy, even if he sees limits in reality.

Under these assumptions, Walras develops the law of supply and demand that illustrates the equilibrium prices in exchanging two commodities. For a market to be in equilibrium regarding two commodities, the effective demand for each must equal its adequate supply. When this balance is not achieved, the commodity's price with greater effective demand will rise. In contrast, the commodity's price with more effective supply will fall until equilibrium (ibid., pp. 66-67). In other words, the quantity demanded becomes zero when the price exceeds the ratio of the maximum want for the commodity to the intensity of the last want satisfied. Conversely, the quantity supplied equals the possessed quantity when the price meets specific criteria based on want intensities (ibid., pp. 99-100).

Walras also introduced the law on the cost of production. He argues that if the utility of a product or service increases or decreases for one or more individuals, its price will then increase or decrease accordingly. Similarly, if the quantity possessed by individuals of a product or service increases or decreases, its price will decrease or increase. Walras continues that if the utility and quantity possessed of a product or service change without altering its relative scarcity, its price remains unaffected. When the ratios of scarcity remain constant despite changes in utility and quantity possessed, the prices of the products and services do not change. Changes in the quantity of a

service possessed by individuals affect its price, which, in turn, influences the prices of products in which this service is used in production. Ultimately, changes in the utility of a product for consumers impact its price, subsequently affecting the prices of services used in its production (Walras, 1896, pp. 252-253).

In his attempt at pure scientific economics, Walras tries to prove that any number of markets with any number of actors leads to identical equilibria. In his view, these equilibria build a uniform price system. Walras' mathematical models provided an essential framework for analyzing market activities and laid the foundations for modern microeconomic theory.

3.1.8.3 Carl Menger

Carl Menger (1840-1921) was one of the founders of the Austrian School of Economics and an influential contributor to neoclassical economics. In *Principles of Economics*, published in 1871, Menger presents his independently developed theory of subjective value and introduces an alternative concept of marginal utility.

Menger begins his theory by assuming that all things are subject to the law of cause and effect. All things in a causal relationship to satisfying human needs shall be useful. Valuable things that have the power to satisfy human needs are called goods (Menger, 2004, pp. 51-52). If the demand for a good exceeds the quantity available and a person endeavors to satisfy their demand for this good, they become economically active. The satisfaction of someone's needs depends on the availability of each quantity of all goods.

> „If economizing men become aware of this circumstance (that is, if they perceive that the satisfaction of one of their needs, or the greater or less completeness of its satisfaction, is dependent on their command of each portion of a quantity of goods or on each individual good subject to the above quantitative relationship) these goods attain for them the significance we call value. Value is thus the importance that individual goods or quantities of goods attain for us because we are conscious of being dependent on command of them for the satisfaction of our needs." (ibid., p. 115)

The value of goods springs from the relationship between requirements for and available quantities of goods. As a result and in line with Jevons' subjective theory of value, a value is nothing inherent in goods but merely the importance that humans first attribute to satisfying their needs, that is, to their lives and well-being (ibid., pp.

115-116). Menger points out that the importance of satisfaction depends on single units of the good, and that value varies from context to context considerably. Menger exemplifies the concept of marginal utility by solving the water-diamond dilemma, which illustrates the paradox where water, essential for life, commands a low price due to its abundance, while diamonds, non-essential but rare, command a high price.

The concept of marginal utility states that the value of goods is determined by their marginal utility to individuals. Menger supposes that a person has a pound of water and gold. Depending on the context, both pounds have different subjective values for the person. While the pound of water is barely valuable where water is abundant, the pound of gold seems much more valuable due to its scarcity and high exchange value. However, a pound of water will be much more valuable than a pound of gold in a desert. Since water is necessary to survive, a person will favor water before gold (Menger, 2004, pp. 140-141).

Moreover, the marginal utility function implies that the more units of a good are consumed, the lower the utility per additional unit. Ten bread rolls are, therefore, not worth ten times as much as one bread roll. The value of a good depends on the consumer's utility, while the utility can be determined ordinarily by the marginal utility. The marginal utility, in turn, depends on the quantity of a good and the costs (ibid., p. 139).

By proposing his theory of subjective value based on marginal utility, Menger emphasized the importance of individual choice, challenging the classical labor theory of value. Menger's emphasis on methodological individualism and subjective value laid the foundation for the neoclassical theories of economics, which focus on individual decision-making and market interactions.

3.1.9 Historical Context - 1870 to 1950

Let us return to our historical journey and look at the implementation of market economies and its social consequences. Between 1870 and 1890, significant social and economic changes took place in Europe and other parts of the world. The time was shaped by the rise of industrial capitalism, causing urbanization, labor exploitation, technological innovation, and economic growth. These upheavals led to social unrest and organization of workers into trade unions and socialist movements, which advocated

for better working conditions, higher wages, and social reforms (Polanyi, 2001, p. 156). Instead of exposing labor and land to market mechanisms, these forms of interventionism aimed to control market activity (ibid., p. 137). Therefore, the social changes of the eighteenth century were accompanied by two organizing principles that strove for specific institutional aims, which used distinctive methods and were supported by distinct social groups.

> „The one was the principle of economic liberalism, aiming at the establishment of a self-regulating market, relying on the support of the trading classes, and using largely laissez-faire and free trade as its methods; the other was the principle of social protection aiming at the conservation of man and nature as well as productive organization, relying on the varying support of those most immediately affected by the deleterious action of the market - primarily, but not exclusively, the working and the landed classes - and using protective legislation, restrictive associations, and other instruments of intervention as its methods.“ (ibid., pp. 138-139)

Without going into the details of the socialist countermovement, it must be noted that the ideas and practices of market capitalism spread across the globe and reached its maximum extent in about 1914. The implementation found different expressions in different countries. While the United Kingdom (hereafter UK) and the United States of America (hereafter USA or United States) emphasized a laissez-faire approach, countries such as Germany, France, and Russia established more state-regulated economies (Hartwich, 2009, p. 15).

In the 1930s, the Great Depression challenged economic liberalism. Following the Wall Street Crash of 1929, widespread unemployment and poverty emerged. Major powers like the UK and the USA abandoned the gold standard and adopted currency management. Even France, previously following the gold standard, was forced to abandon it under pressure from the UK and the USA. The belief in individual freedom and prosperity was shattered. Collectivist and more authoritarian ideologies, such as socialism, communism, national socialism, and fascism, found fruitful ground amid the economic and political instability of the 1920s and 1930s. Classical liberalism had failed (Polanyi, 2001, pp. 148-149).

Liberal capitalism had to be restructured. President Franklin Roosevelt pledged the New Deal in the United States, moving towards more interventionist policies. In the UK, economist John Maynard Keynes (1883-1946) published his *General Theory* (1936),

aiming to explain and overcome the inherent instabilities of liberal capitalism. Around the globe, scholars and politicians moved from laissez-faire towards interventionist economics (Hartwich, 2009, p. 13). The idea of free, self-regulating markets was in danger of being replaced.

Walter Lippmann (1889-1974), a US-American writer, reporter, and political commentator, was working on a social analysis of this time. In *An Inquiry into the Principles of the Good Society* (1938), Lippmann criticized all variants of collectivism and Roosevelt's New Deal policies. He stated that „at bottom they all believe the same thing: that by the exercise of their own unlimited authority they can make themselves secure and that by the coercive direction of human affairs they can shape the destiny of great societies" (Lippmann, 1938, p. 329). Discussing why the development of the liberal doctrine was arrested and why liberals failed to develop the promise of liberalism, Lippmann's book served as a cue for liberals in the 1930s. It brought hope to veterans of fallen liberalism.

In August 1938, 25 liberal intellectuals gathered at the Walter Lippmann Colloquium in Paris to discuss the future of economics. While most agreed that economic liberalism promoting laissez-faire economics had failed, deep disagreements arose around the proper role of the state. The discussion resulted in two streams: The Ordoliberals and the Austrian School. The ordoliberals, or third-way neoliberals, centered around Alexander Rüstow and Lippmann, advocating for strong state supervision of the economy. According to their conception, the new form of liberalism no longer had anything to do with unrestricted freedom. However, it was about a market economy under the direction and rules of the state. Because monopolization was one consequence of economic liberalism, ordoliberals believed state intervention was needed to correct undesirable market dynamics. In contrast, the Austrian School, mostly influenced by Ludwig von Mises and Friedrich Hayek, continued to insist that the only legitimate role of the state was to abolish barriers to market entry. They blamed the state for monopolies and cartels because such market structures could only develop under interventionist and protectionist policies. While Rüstow called Hayek and Mises relics of the liberalism that caused the Great Depression, Mises replied that ordoliberalism actually meant ordo-interventionism (Hartwich, 2009, pp. 18-20).

However, the Walter Lippmann Colloquium participants agreed on a new type of liberalism promoting economic freedom under the guidance and rule-making of a strong state Discarding *social liberalism*, *positive liberalism*, and *liberalism from the left*, the term which the participants actually agreed on was *neoliberalism* (Hartwich, 2009, p. 19). The participants of the Walter Lippmann Colloquium wanted to meet regularly and work on a neoliberal program. But the Second World War shattered their plans. Before we look at the establishment of neoliberal schools of thought after the Second World War, let us consider Hayek's position on the neoliberal debate.

3.1.10 The Rise of Neoliberalism

3.1.10.1 Friedrich von Hayek

Friedrich Hayek (1899–1992) wrote in a political environment where collectivist and authoritarian ideologies threatened individual freedom and challenged market economies by establishing state-run, planned economies. Neoliberal thinking was a response to state interventionism and collectivist philosophies. As a follower of the Austrian school of Economics, Hayek intended to reframe the laissez-faire approach. In publishing *The Road to Serfdom* in 1944, Hayek put forward his position on a new form of economic liberalism.

Hayek sees a competitive economic system as the best means to effectively address economic challenges. In his view, a competitive market economy is superior not only because it is the most efficient form in most cases but also because it is the only form in which the activities of the individual are not restricted by arbitrary intervention by the authorities. A competitive economy additionally eliminates the necessity for „conscious social control." Instead, it empowers individuals to evaluate whether the benefits of engaging in a particular occupation outweigh the associated drawbacks and risks (Hayek, 2006, pp. 37-38). Hayek refrains from mixing measures of a competitive market economy with those of a planned economy. Both competition and central direction become poor and inefficient as soon as they are incomplete. However, Hayek states that „planning and competition can be combined only by planning for competition, but not by planning against competition" (ibid., p. 43). He highlights:

> „The liberal argument is in favour of making the best possible use of the forces of competition as a means of co-ordinating human efforts, not an argument for leaving

> things just as they are. It is based on the conviction that where effective competition can be created, it is a better way of guiding individual efforts than any other.“ (Hayek, 2006, p. 37)

An effective competitive economic system relies on certain conditions, though. First, agents must be free to produce, sell, and buy at any price they wish in markets. Second, the entry into different trades must be open to all on equal terms. Third, the organization of institutions such as money, markets, and information channels must be established. Finally, an appropriate legal system must exist designed to preserve competition and make it operate as beneficially as possible (ibid., pp. 38-39).

Hayek also acknowledges that there are situations where competition alone may not be sufficient to provide certain essential services. For instance, competition may not effectively provide these services when it is impractical to make access to services contingent upon payment or when the property owner cannot adequately compensate the damage caused by certain property uses. In such cases, alternative methods beyond competition may be necessary to ensure the provision of these services in the interest of social welfare. Hayek imagines prohibiting harmful substances to impose safety precautions, limit working hours, or mandate sanitary arrangements as acceptable measures while preserving a competitive market economy. Competition can coexist with regulations to safeguard public health and welfare (ibid., pp. 38-40).

Having mentioned those exceptions, Hayek places great importance on limited government intervention. The state should limit itself to setting rules for general situations and granting maximum freedom to individuals (ibid., pp. 79). By doing so, the state establishes rules that dictate how available resources can be utilized, while individuals retain the autonomy to decide the purposes for which they use these resources. In addition, the state should not intervene in the price system because it undermines the self-regulating mechanism, which would lose its function as a reliable guide for the individual's decisions interacting in markets (ibid., p. 38). But what legal framework should be in place?

Hayek highlights the relevance of the Rule of Law. „The Rule of Law was consciously evolved only during the liberal age and is one of its greatest achievements, not only as a safeguard but as the legal embodiment of freedom“ (ibid., p. 85). The idea is that the government is bound by rules fixed and announced beforehand. This makes it possible

to foresee with fair certainty how the authority will use its coercive powers in given circumstances, and to plan one's individual affairs on the basis of this knowledge. The Rule of Law hence prevents any form of arbitrary power and wide-ranging authority on the part of the government (Hayek, 2006, pp. 75-76).

> „The [Rule of Law] can be made in advance, in the shape of formal rules which do not aim at the wants and needs of particular people. They are intended to be merely instrumental in the pursuit of people's various individual ends. And they are, or ought to be, intended for such long periods that it is impossible to know whether they will assist particular people more than others. They could almost be described as a kind of instrument of production, helping people to predict the behaviour of those with whom they must collaborate, rather than as efforts towards the satisfaction of particular needs." (ibid., pp. 76-77)

Thus, the legal framework encompasses essential tasks to maintain a competitive market economy with the least government power possible. First, legislative activities must prevent fraud and deception. Second, conditions have to be created in which competition will be as effective as possible and to supplement competition where it cannot be made effective. Third, it has to provide services which, following Smith, are necessary for a great society but are not financially feasible for individuals to provide (ibid., pp. 40-41).

Hayek's ideas provided a theoretical foundation for neoliberal economic policies advocating deregulation, privatization, and free market competition. His acknowledgement of limits in competition and the need for regulatory measures, such as prohibiting harmful substances, imposing safety precautions, and limiting working hours, further shaped these policies.

3.1.11 Historical Context - 1950 to 1970

A liberal movement arose from the ashes and gathered in Mont Pèlerin in 1947, founding the Mont Pèlerin Society. The founding members included Friedrich Hayek, Milton Friedman, Karl Popper, George Stigler, and Ludwig von Mises, among others. In its *Statement of Aims*, the Mont Pèlerin Society is explicitly concerned about the „values of civilization." „[H]uman dignity and freedom have already disappeared. [...] Even that most precious possession of Western Man, freedom of thought and expression, is threatened" (The Mont Pelerin Society, 1947). To counteract these

dynamics, the Mont Pèlerin Society advocates for private property and a competitive market economy. By those means, its members want „to contribute to the preservation and improvement of the free society“ (The Mont Pelerin Society, 1947). These neoliberal thinkers wanted to preserve the liberal ideal of individual freedom and adhere to nineteenth-century neoclassical economic theory principles. Although they thus rejected Smith's laissez-faire economics, they held on to the ideas of self-interest and the „invisible hand“ (Harvey, 2007, p. 20). Due to their free market advocacy, neoliberals criticized Keynesian interventionism, the dominant theory in economics since the early 1930s. Although tensions between members of the Mont Pèlerin Society - that is, between ordoliberals, the Austrian School of Economics, and the Chicago School of Economics - prevailed, neoliberalism as a political-economic ideology began accelerating in importance with the establishment of the Society.

Since our goal is to understand how neoliberal capitalism, as commonly understood today, has evolved, we will not review economic ordoliberalism, which led to Germany's social market economy after the Second World War. Instead, we will follow the traces of a free market economy conceptualized by both the Austrian School of Economics and Chicago School of Economics.

The Austrian School of Economics originated in the late nineteenth century in Vienna. Carl Menger, Friedrich von Wieser, Ludwig von Mises, and Friedrich von Hayek were prominent economists of the School. Their main objective was to understand the behavior of individual human beings by focusing on their subjective preferences, beliefs, and choices. Members of the Austrian School rejected the labor theory of value and emphasized the subjective theory of value. According to this theory, the value of goods and services is determined by individuals' subjective preferences and utility. Finally, the Austrian School promoted free markets and limited government intervention while heavily criticizing central planning (Britannica, 2024a).

The Chicago School of Economics was founded in the 1930s, mainly by Frank Hyneman Knight. Its prominent members included Milton Friedman, Gary Becker, and George Stigler. The Chicago School is associated with neoclassical economic theory, which emphasizes the rational behavior of individuals, the efficiency of competitive markets, and the role of prices in allocating resources. In addition, it favors monetarist policies, which emphasize the importance of controlling the money supply to stabilize

the economy and control inflation. Like the Austrian School, the Chicago School promotes free markets and limited government intervention (Britannica, 2024b).

In the 1950s and 1960s, however, most advanced capitalist countries favored the Keynesian theory, which aims to regulate economic cycles and ensure full employment. This practice is called embedded liberalism. Under this theory, the state actively intervenes in economic affairs, develops industrial policy, and implements various welfare systems. Redistribution policies, control of capital movement, and active state intervention in the economy went hand in hand with relatively high growth rates. Eventually, social and political constraints accompanied by an interventionist economic policy led to the limitation of market processes and entrepreneurial activities (Harvey, 2007, pp. 10-11). In the meantime, neoliberal ideas of the Austrian and Chicago Schools were discussed in think tanks and universities but had not yet found entrance into politics (ibid., p. 42).

Empirically, the post-World War II period is known as the „Great Acceleration," indicating a significant increase in various indicators of human activity and its impact on the global environment. While the world population grew from 3 to 6 billion in the first 50 years after the Second World War, economic activity increased 15-fold in the same period. Urbanization became a global phenomenon. More than half of the human population, i.e. over 3 billion people, lived in urban areas. Cities generally promised higher incomes, which led to increased consumption, another driver of the Great Acceleration. The number of motor vehicles rose from just 40 million in 1945 to around 700 million in 1996. The rapid technological progress, electronic communication, and economic networking also shaped the post-war period. The Great Acceleration, characterized by economic growth and increasing consumption, also brought significant social and environmental changes. The emphasis on profit maximization and consumption led to the exploitation of natural resources and the destruction of the environment. Industrialization and urbanization led to pollution, deforestation, and habitat destruction, threatening biodiversity (Steffen et al., 2011, pp. 849-850). Overall, people in the West, in particular, experienced increasing prosperity and focused on material possessions and personal pleasure. Western societies turned to an individualistic culture of mass consumption (Gregory, 2012, p. 288).

However, the global fiscal crises and chronic state stagflation in the 1970s exhausted Keynes' embedded liberalism. Politicians sought an alternative approach. Well-financed think tanks such as the Institute of Economic Affairs in London and the Heritage Foundation in Washington, offshoots of the Mont Pelerin Society, took advantage of the situation and shared their neoliberal approaches with policymakers. Neoliberal theory began to exert a practical influence in various policy areas (Harvey, 2007, p. 22). Before we examine the rise and expansion of neoliberalism as a political-economic ideology, we will discuss the contributions of Friedman as a representative of the Chicago School of Economics.

3.1.12 The Expansion of Neoliberalism

3.1.12.1 Milton Friedman

Influenced by the Austrian School of Economics, Milton Friedman (1912-2006) wrote a few decades after Hayek. He laid out his theoretical conceptualization of a neoliberal society in *Capitalism and Freedom*, published in 1962, and a more practical version in *Free to Choose*, published in 1980.

For Friedman, freedom is the ultimate value in society. Since large-scale societies heavily rely on a division of labor, which creates widespread interdependencies among people, Friedman attempts to attain freedom for individuals by granting them economic freedom. Economic freedom assumes the voluntary cooperation of individuals in markets. Voluntary cooperation occurs when both parties benefit from an economic transaction; the transaction is bilaterally voluntary and informed. „A working model of a society organized through voluntary exchange is a free private enterprise exchange economy - what we have been calling competitive capitalism“ (Friedman, 2002, p. 13). Friedman assumes that competitive capitalism directly provides economic freedom for individuals and „also promotes political freedom because it separates economic power from political power and in this way enables the one to offset the other“ (ibid., p. 9). He goes even further by stating: „History suggests only that capitalism is a necessary condition for political freedom“ (ibid., p. 10). But how does Friedman envision a free society under competitive capitalism?

Competition is a crucial feature of a free society. Friedman points out that competition in economic theory is not to be equated with the everyday use of the word „personal rivalry“ and „outdoing the competitor“. Instead,

> „[i]n the economic world, competition means [there] is no personal rivalry in the competitive market place. There is no personal higgling. [...] The essence of a competitive market is its impersonal character. No one participant can determine the terms on which other participants shall have access to goods or jobs. All take prices as given by the market and no individual can by himself have more than a negligible influence on price though all participants together determine price by the combined effect of their separate actions.“ (Friedman, 2002, pp. 119-120)

Friedman makes clear that competition in the economic sense is only a hypothetical concept that does not actually exist. It is an ideal construct to analyze particular problems rather than to describe existing situations. „But as I have studied economic activities in the United States, I have become increasingly impressed with how wide is the range of problems and industries for which it is appropriate to treat the economy as if it were competitive“ (ibid., p. 120).

Like competition, monopoly is also an economic concept. It can be used to analyze the power dynamics in markets. Monopolies arise when an individual or company has sufficient control over the market to determine the conditions under which others can access a particular product or service. Since Friedman rejects the centralization of power in politics and business, he believes monopolies should be avoided. Friedman rejects monopolies because they limit the possibilities of voluntary exchange by reducing the alternatives available to individuals, potentially leading to higher prices and restricted competition, which is closer to the usual concept of competition, as it involves personal rivalry (ibid., p. 120).

In a free, competitive society, individuals pursue financial gains and are responsible for themselves and their employers. Any idea can be launched. It only takes convincing a few wealthy people that the idea can be financially successful to get funds. An individual's „touchstone must be the likelihood that the market will be large enough to yield a satisfactory return on his investment“ (ibid., p. 17). A private competitive environment forces people to be responsible for their actions. If they do badly, they cannot blame others. If they are successful, they can do what they want with the

resources they have gained. The situation changes for people who are working for others.

> „In a free-enterprise, private-property system, a corporate executive is an employee of the owners of the business. He has direct responsibility to his employers. That responsibility is to conduct the business in accordance with their desires, which generally will be to make as much money as possible while conforming to the basic rules of the society, both those embodied in law and those embodied in ethical custom.“ (Friedman, 1970)

But what is the legal and ethical framework in which shareholders of companies employ CEOs to make as much money as possible? Do companies have a social responsibility?

> „The view has been gaining widespread acceptance that corporate officials and labor leaders have a „social responsibility“ that goes beyond serving the interest of their stockholders or their members. This view shows a fundamental misconception of the character and nature of a free economy. In such an economy, there is one and only one social responsibility of business - to use its resources and engage in activities designed to increase its profits so long as it stays within the rules of the game, which is to say, engages in open and free competition, without deception or fraud. [...] Few trends could so thoroughly undermine the very foundations of our free society as the acceptance by corporate officials of a social responsibility other than to make as much money for their stockholders as possible.“ (Friedman, 2002, p. 133)

Friedman, therefore, defines deception and fraud as the legal and ethical framework for pursuing profit-maximizing. In addition, companies cannot be held responsible at all; only individuals are. Working at a company has only one responsibility: making as much money for their stockholders as possible.

A free society in which companies exist to yield the greatest possible return on investment inevitably creates inequality. As Friedman points out, „[a] capitalist system involving payment in accordance with product can be, and, in practice, is characterized by considerable inequality of income and wealth. This fact is frequently misinterpreted to mean that capitalism and free enterprise produce wider inequality than alternative systems“ (ibid., p. 168). In other words, by buying the surplus value produced by the worker's labor through the payment of a wage, considerable income and wealth inequality will be produced. This inequality is justified because a capitalist system still creates more equality than other social systems. As Friedman argues, a competitive

market economy protects individuals from discrimination based on irrelevant factors such as political views, sex, or skin color due to its impersonal characteristic. The preservation and strengthening of competitive capitalism are important, especially for minority groups (Friedman, 2002, p. 21). Moreover, capitalism has offered humans opportunities to extend, develop, and improve their capacities. Technological enhancement has also provided goods to the masses that make their lives easier and more comfortable (ibid., pp. 169). Ultimately, a competitive market society enables free speech and political freedom. Individuals are free to advocate for their interests and radical change in society. As Friedman highlights, this right also includes advocating for socialism. However, „[i]n order for men to advocate anything, they must in the first place be able to earn a living“ (ibid., p. 16). And earning a living means for most people to receive wages. Wages, like all incomes, are determined by the price system.

> „The price system is the mechanism that [enables people living all over the world to cooperate to promote their separate interests] without central direction, without requiring people to speak to one another or to like one another. When you buy your pencil or your daily bread, you don't know whether the pencil was made or the wheat was grown by a white man or a black man, by a Chinese or an Indian. As a result, the price system enables people to cooperate peacefully in one phase of their life while each one goes about his own business in respect of everything else.“ (Friedman, 1980, p. 13)

In Friedman's view, the price system has three functions. First, it transmits information by signalling changes in supply and demand through price adjustments. This process ensures that relevant information reaches those who need it without unnecessary interference. Resources can then be efficiently allocated and decision-making facilitated. Second, the price system is a cost-effective method to produce commodities. It provides both the incentive and the means for individuals to react to changes in production methods by adjusting their resource allocation based on cost considerations. This dynamic encourages producers to economize on resources in response to price fluctuations, promoting efficiency and optimal resource utilization. Third, incomes are distributed through the price system. The market determines the income distribution for individuals based on the difference between their earnings from selling goods or services and the costs incurred in production. This distribution is influenced by various factors, such as individual ownership of productive resources and consumer preferences, leading to differing values placed on various social services

(Friedman, 1980, pp. 14-16). Friedman points out that companies do not have an income.

> „That is figurative language. The corporation is an intermediary between its owners - the stockholders - and the resources other than the stockholders' capital, the services of which it purchases. Only people have incomes and they derive them through the market from the resources they own, whether these be in the form of corporate stock, or of bonds, or of land, or of their personal capacity." (ibid., pp. 20-21)

Regarding the government, Friedman advocates for a limited state intervention in economic activities. The state has the function of maintaining law and order. It can also engage in „public work" of the classical variety and help those who are poor or in distress. However, assistance should be limited to avoid disruptions in the economy. „But beyond this it would have the function of providing a framework within which free competition could flourish and the price system operate effectively. This involves two major tasks: first, the preservation of freedom to establish enterprises in any field, to enter any profession or occupation; second, the provision of monetary stability" (Friedman, 1951, p. 3). The first task involves preventing businesses from blocking out competitors using anything other than selling better products at lower prices, which is guaranteed by setting rules for how businesses operate without interfering with who can enter the market. Additionally, it prohibits businesses from teaming up or taking actions that restrict competition. The second task relates to ensuring monetary stability by regulating the money supply. According to Friedman, the supply of money, except pure commodity money, must not be left to competition (ibid., pp. 3-4).

> „These are broad powers and important responsibilities that the neo-liberal would give to the state. But the essential point is that they are all powers that are limited in scope and capable of being exercised by general rules applying to all. They are designed to permit government by law rather than by administrative order. They leave scope for the exercise of individual initiative by millions of independent economic units. They leave to the unparalleled efficiency of the impersonal price system the coordination of the detailed economic activities of these units. And above all, by leaving the ownership and operation of economic resources predominantly in private hands, they preserve a maximum of individual freedom and liberty." (ibid., p. 4)

After reviewing his neoliberal vision of a capitalist society, Milton Friedman summurizes:

> „[A free market society] use[s] competition among producers to protect consumers from exploitation, competition among employers to protect workers and owners of property, and competition among consumers to protect the enterprises themselves. The state would police the system, establish conditions favorable to competition and prevent monopoly, provide a stable monetary framework, and relieve acute misery and distress. The citizens would be protected against the state by the existence of a free private market; and against one another by the preservation of competition.“ (Friedman, 1951, p. 3)

Friedman's neoliberal thinking has profoundly influenced contemporary economics and politics worldwide. In the final phase of our historical journey, we look at the spread and implementation of neoliberal policies that have played a major role in shaping economic policy worldwide. Chile is the point of departure, where neoliberal reforms in the latter half of the twentieth century marked a significant turning point in economic strategies and social organization.

3.1.13 Historical Context - After 1970

Chile was the first attempt to establish a neoliberal state. After several years of socialist economic policies under President Salvador Allende, in September 1973, Augusto Pinochet successfully made a coup d'ètat against the democratically elected government. Pinochet established a military junta and became its dictator. The United States supported the coup and educated scholars from Latin America to counteract socialist and communist thought on the South American continent. Educated by Friedman in Chicago, a group of Chilean economists known as Chicago Boys returned to Chile and filled central economic policy positions in the new authoritarian regime under Pinochet. Since they were taught neoliberal thinking, the Chicago Boys promoted a far-reaching disengagement of the state from the economy (Harvey, 2007, pp. 7-8).

The measures implemented included extensive deregulation of state intervention and the privatization of public assets and social security. The labor market was „liberated“ from institutional restrictions such as the power of the trade unions. The Chilean state opened its natural resources to private and unregulated exploitation and granted foreign companies the right to extract profits from their Chilean operations. As a result, foreign direct investment and free trade were facilitated. Ultimately, the state promoted export-oriented growth instead of import substitution (ibid., p. 8).

Chile's market orientation represented a novelty in neoliberal history. Instead of a social market economy designed by ordoliberals, the more radical market approach of the Austrian and Chicago Schools was implemented. Between 1973 and 1989, Chile was ruled by the dictatorship of General Pinochet, whose regime was guilty of massive human rights violations. The state suppressed organizations such as political parties and trade unions (Edwards, 2023, p. 2). The result was an all-encompassing market society that served as a blueprint for neoliberal policies in other countries.

At the beginning of the 1980s, the political-economic situation in Western countries was characterized by the rise of neoliberal politics. The rise marked a departure from the welfare state policies of social democracy to address economic challenges such as inflation, declining profits, and slow growth. Neoliberal policies sought to challenge Keynesian macro-economic regulation, public ownership of firms, progressive tax systems, social security, and strict labor regulations (Dardot and Laval, 2013, p. 167). While the Chicago Boys implemented a somewhat idealistic version of neoliberal theory, Margaret Thatcher and Ronald Reagan promoted a more pragmatic approach in Britain and the United States (Harvey, 2007, p. 9). The neoliberal policies implemented encompassed a wide range of measures.

In an interview with the Sunday Times in 1981, Thatcher gave her opinion on the political-economic situation and presented her solution:

> „It is not merely a question of getting inflation down, important though that is. Much, much more fundamental than that is getting industry and services, so that they can be competitive with any other country's in the world." (Thatcher, 1981)

In a speech in 1988, Thatcher pointed out that:

> „Our aim should not be more and more detailed regulation from the centre: it should be to deregulate and to remove the constraints on trade. [...] And that means action to free markets, action to widen choice, action to reduce government intervention. [...] [Because we know that] a State-controlled economy is a recipe for low growth and that free enterprise within a framework of law brings better results." (Thatcher, 1988)

Before this background, it is no wonder that Thatcher implemented policies that dismantled the welfare state and extensively privatized areas of society in the UK. She did so by reducing the state's role in providing social welfare services, including cuts to welfare spending and privatizing public services. As part of Thatcher's broader

agenda promoting private ownership and entrepreneurship, she privatized state-owned enterprises, including social housing, airlines, telecommunication, and gas. Moreover, Thatcher fostered a culture of entrepreneurship and innovation by reducing regulatory barriers and creating a favorable environment for business development.

> „The immediate and practical requirements are: to implement the Community's commitment to free movement of capital [...] to establish a genuinely free market in financial services in banking, insurance, investment; [...] These are the real requirements because they are what the Community business and industry need if they are to compete effectively in the wider world." (Thatcher, 1988)

These measures included restricting trade unions' ability to strike and imposing legal constraints on union activities on the one hand and, on the other, implementing tax cuts for businesses and high-income earners to stimulate economic growth and investment. Being asked about the increasing income disparity, she responded with a trickle-down-solution:

> „All levels of income are better off than they were in 1979. But what the honorable member is saying is that he would rather the poor were poorer provided the rich were less rich. That way you will never create the wealth for better social services as we have." (Thatcher, 1990)

All in all, Thatcher's flood of neoliberal policies undermined social solidarity as a by-product. She perceived forms of municipal governance, professional associations, and collectivism as a hindrance to economic competitiveness. Therefore, it is no wonder why she envisioned:

> „What's irritated me about the whole direction of politics in the last 30 years is that it's always been towards the collectivist society. People have forgotten about the personal society. And they say: do I count, do I matter? To which the short answer is, yes. And therefore, it isn't that I set out on economic policies; it's that I set out really to change the approach, and changing the economics is the means of changing that approach. If you change the approach you really are after the heart and soul of the nation. Economics are the method; the object is to change the heart and soul." (Thatcher, 1981)

Reagan faced similar political-economic challenges in the United States and adopted neoliberal solutions as well.

> „We suffer from the longest and one of the worst sustained inflations in our national history. [...] In this present crisis, government is not the solution to our problem;

> government is the problem. [...] Well, this Administration's objective will be a healthy, vigorous, growing economy that provides equal opportunities for all Americans with no barriers born of bigotry or discrimination. Putting America back to work means putting all Americans back to work.“ (Reagan, 1981)

Consequently, Reagan's main objective was to deregulate as many industries as possible to increase market freedom for powerful corporate interests. Prominent examples included airlines, telecommunications, and the finance sector. These were accompanied by tax incentives for investment, which effectively subsidized the movement of capital away from unionized regions towards non-unionized and less regulated areas. In addition, corporate taxes were significantly reduced. The top personal tax rate was also lowered from 70 to 28 percent, which was the largest tax cut in the history of the USA.

Since the late 1970s, neoliberalism has expanded significantly, with many states worldwide adopting its principles of deregulation, privatization, and reduced government involvement in social services. This ideology has influenced economic policies and become dominant in societal discourse, shaping perspectives across education, media, corporate, and international institutions (Harvey, 2007, p. 3).

There has been a steady increase in global consumption and production since the Great Acceleration. This growth was driven by technological advancements, which led companies to continuously introduce new products to the market. People were free to consume as much as they desired, often using credit to support their spending. This culture of continuous consumption became the norm in Western societies and affected all aspects of life. Consumerism promotes the utilitarian idea that happiness is achieved through acquiring more possessions, leading to material wealth becoming the primary focus of society (Gregory, 2012, p. 235-236).

While economies have grown since neoliberalization in the 1980s, wealth inequality has increased. Between 2004 and 2013, Fortune 500 companies carried out share buybacks totaling USD 3.4 trillion and returned USD 885 billion to shareholders in 2014 alone, exceeding their net profits of USD 847 billion (Jacobs and Mazzucato, 2016, p. 5). Despite a 78 percent increase in US GDP between 1990 and 2014, real median household income has risen only minimally, with labor productivity rising almost three times as fast as real wages since 1999. Income inequality has also widened, with the top 1 percent in the U.S. capturing 47 percent of total pre-tax income growth between

1975 and 2012 and the richest 0.01 percent receiving 91 percent of income gains in the first three years after the 2008 crash (Jacobs and Mazzucato, 2016, pp. 8-9).

In terms of the environment, neoliberal policies have intensified the exploitation of resources and contributed to deforestation, species extinction, and environmental degradation, particularly through rapid industrialization in countries such as China and India. These trends reflect the prioritization of short-term profits over long-term sustainability and equitable economic growth (Harvey, 2007, pp. 173-175). However, neoliberal policies are only one driver for social and environmental issues. The capitalist mode of production is deeply intertwined with the use of fossil fuels, which leads to the production of greenhouse gas emissions and global warming:

> „Throughout capitalism's history economic growth has been accompanied by environmental damage, from the pollution of air, water and land to the loss of habitats and species, a constant subtraction from its successes in increasing welfare. [...] The cumulative effect of two hundred years of fossil fuel use in the developed world, now compounded by rapid growth in the emerging economies, means that, unless current emissions levels are drastically reduced, the world faces serious damage." (Jacobs and Mazzucato, 2016, p. 10)

Before we outline the neoliberal version of capitalism based on the information presented in our historical journey, let us look back to Chile. Chile was the first country in the world to implement wide-encompassing policies based on neoliberal ideology. Privatization, deregulation, and market creation affected most areas of society. In the early 2000s, Chile experienced a remarkable turnaround in its economic and social performance, emerging as the wealthiest nation in Latin America with the best social indicators for health, education, and life expectancy. This period saw a significant poverty reduction, with the proportion of people living below the poverty line declining from 53 percent in the mid-1980s to just 6 percent by 2017. Chile maintained its position as the country with the highest income per capita in the region until 2019, when Panama surpassed it. Substantial improvements in social welfare accompanied this economic success, positioning Chile as a standout performer in the region (Edwards, 2023, p. 3). These remarkable economic outcomes, however, led to massive protests in 2019:

> „Hundreds of thousands of people marched in several cities and demonstrated against the elites, corporate abuse, greed, for-profit schools, low pensions, segregation, and

> the neoliberal model. Demonstrators asked for debt forgiveness for students and free universal health services. Protesters carried Mapuche flags and demanded the return of lands taken from Indigenous peoples in the nineteenth century. Although most of the demonstrations were peaceful, some turned violent. There was arson, destruction of public and private property, and looting; more than twenty metro stations were set on fire during the first few days of the protests. The police responded with unjustified force and were accused of multiple human rights violations.“ (Edwards, 2023, p. 5)

After the protests in 2019, Chile embarked on a national dialogue process to address social grievances, leading to a referendum to rewrite the constitution. In 2021, a Constitutional Convention was elected, largely composed of left-leaning members aiming to create an „anti-neoliberal“ constitution. However, criticisms arose regarding the partisan nature of the draft, and in a subsequent referendum in 2022, the proposed constitution was rejected by a significant margin (ibid., pp. 7-8). A second legislative proposal was written by predominantly conservative representatives, which was also rejected in a nationwide referendum in December 2023 (Bartlett, 2023). Although both drafts reject the neoliberal model as the basis of the Chilean Constitution, there is still a wide gap between the ideas of the right and left political camps regarding women's rights, Indigenous peoples, private property, and monetary policy. From today's perspective, at the beginning of April 2024, we cannot foresee how Chile's neoliberal order will change. As we have seen, however, Chile's neoliberal policies have led to astonishing economic growth and poverty reduction on the one hand and, high wealth inequality, the neglect of the rights of social groups, and mass protests on the other.

This empirical finding will serve as a starting point in the fourth chapter of the thesis, which discusses the assumptions and ideas underlying neoliberal capitalism based on the ethical understanding of Life-affirming developed in the second chapter. But before moving on to the discussion, let us look at neoliberal capitalism.

3.2 The Characteristics of Neoliberal Capitalism

We began this chapter by understanding neoliberalism as a philosophy and ideology influencing political policy-making and economic theories and capitalism as an economic system and social order. After tracing neoliberal capitalism from feudal Europe up to today, we can refine our understanding and define the terminology in more detail. As

the final proponent of a neoliberal capitalist proposal, Friedman will be our point of departure:

> „A working model of a society organized through voluntary exchange is a free private enterprise exchange economy - what we call competitive capitalism.“ (Friedman, 2002, p. 13)

Let us unpack what the terms *voluntary exchange*, *free*, *private*, *enterprise*, *exchange economy*, *competitive*, and *capitalism* mean based on what our liberal and neoliberal economic thinkers presented and what a neoliberal capitalist working model implies. All these terms are interrelated and cannot be fully understood in isolation. We will begin the outline with *free* and add another layer to it term by term.

Freedom is the ultimate value that a neoliberal capitalist society must provide. The term comes with a double meaning. The question is: Who is free to do what, and from what? First, individuals are free to engage in *voluntary* and mutually beneficial interactions. It is assumed that these interactions are consensual and informed. Individuals are then free to produce, sell, and buy at any price they wish in markets. These individual interactions form buyer-seller relationships. Second, individuals are free from arbitrary government power. State restrictions on individual freedom of action are avoided as far as possible. When individuals are free from government control, they can engage in an exchange economy.

Exchange economy is a microeconomic term that refers to interactions between agents in markets. In the context in which we are discussing the term, economies based on markets are referred to as market economies. „A market economy is an economic system controlled, regulated, and directed by market prices; order in the production and distribution of goods is entrusted to this self-regulating mechanism“ (Polanyi, 2001, p. 71). Such a market economy relies on specific assumptions and conditions to function. First, humans are assumed to have utilitarian behavior and follow their self-interest. In other words, individuals behave in a way that maximizes their happiness and pleasure through financial gains. The same is true for businesses. Businesses are privately owned by individuals and referred to as „representative agents“ whose aim is to maximize the profits of their shareholders (Jacobs and Mazzucato, 2016, p. 16). Second, it is further assumed that the supply of goods[21] available at a

[21] Hereafter, goods always include services.

specific price in the market corresponds to the demand at that price. Markets, hence, tend towards equilibrium. Third, the existence of money as a means of purchase is assumed. Under these assumptions, prices will determine both the production and the allocation of goods. As a result, all incomes will be distributed amongst the members of society through the self-regulating price system (Polanyi, 2001, pp. 71-72). Before understanding how the price system regulates itself and distributes all incomes in society, let us first add a few more layers by introducing the other terms.

In a market economy, free individuals who engage in economic activities, in theory, will pursue their own interests, maximize their income, and ultimately increase the overall wealth of society. To make this „invisible hand"-dynamism work, though, we need a few more components. Individuals must possess *private* ownership rights, allowing them to own and control what they have made, acquired through fair means, or exchanged without coercion or deception. Furthermore, *competition* among individuals is seen as the best means for efficient, cost-effective, and innovative production and allocation of goods. Competition is also regarded as a safeguard against discrimination and exploitation. By combining *competition*, *private ownership*, *freedom* and *voluntary exchange*, *enterprise* emerges as the collective system of economic activities driven by individual self-interest and entrepreneurship within a market economy. What role does capitalism play in it?

Capitalism describes the mode of production within a market economy and is characterized by private ownership of the means of production. A capitalist system requires two kinds of individuals: capitalists and laborers. Capitalists are individuals who privately own assets such as money, land, or goods, which they invest in production processes to generate profits. These assets become capital when employed to produce goods, offer services, or yield profits. Laborers, on the other hand, sell their labor to capitalists in exchange for wages.[22] While laborers contribute their effort to produce goods, capitalists retain ownership of the produced goods and are entitled to the resulting profits.[23] Now we can take the next step and see on what conditions a market

[22] Hereafter, wages always include salaries.

[23] In today's world, the terms *capitalist* and *laborer* are not mutually exclusive. One person may work as an employee in a company and invest their money in the stock market. Another person can own property, rent it out to other people, and be employed by a company at the same time. As these examples demonstrate, individuals may be capitalists and laborers at the same time.

economy relies and how the price system of a market economy distributes all incomes in a society.

The price system is the regulating mechanism of a market economy. In order to let the price system regulate markets and distribute the incomes, the economy must meet specific conditions. First, all production must be for sale on the market. Second, all incomes derive from such sales. Last, markets exist for all industry elements, containing goods, labor, land, and money. In theory, the concept of commodity allows the price system to regulate these elements of industrial life. Empirically, commodities are objects produced for sale on markets. According to *exchange economy*, markets are defined as actual contacts between buyers and sellers. Since all elements of industry must be subject to the supply-and-demand mechanism interacting with the price system, labor, land, and money are also considered commodities for sale. This commodification means that there must be markets for all elements of an industry, that is, a labor market, a land market, and a money market. In addition, all markets must be organized into a supply and demand group. Finally, all commodities must have a price that interacts with supply and demand. Once markets have been created for all elements of an industry, they form one sizeable interdependent market (Polanyi, 2001, pp. 72-75). But how does the price system distribute the incomes across the market?

As the commodity concept is extended to labor, land, and money, all these industry elements have a price. Goods have their commodity price. Labor has wages. Land has rent.[24] And money has interests. Each commodity can be demanded and bought as well as supplied and sold. The incomes derive from such sales. Producers sell goods to make an income through the price of commodities. In this case, income means profit and is the difference between the price of an entity and its cost. Workers sell, that is, offer, labor to make an income through the price of wages. Landowners sell, that is, lease, land to make an income through the price of rent. Lastly, people with money sell, that is, invest money to make an income through the prices of interest. In this way, all incomes derive from sales in the market and are determined by the price system. Self-regulation is ensured by interdependent competitive markets (ibid., p. 72).

[24] In this context, *rent* refers to the income derived from the use or lease of land. It is the payment for the right to use land owned by someone else. I am following Karl Polanyi's terminology here.

However, self-regulating markets are not perfect. Neoliberals recognize that market failures occur under various circumstances, preventing the economy from maximizing welfare. Markets fail when, first, monopolies form, and companies are not in competition; second, there are information asymmetries between producers and consumers; third, negative externalities occur that affect third parties and are not adequately reflected in market prices; and fourth, there are public and common goods whose benefits cannot be captured by individual producers or consumers. From a neoliberal stance, these market failures legitimize state intervention in the form of corrections. Governments should implement a basic regulatory framework to address market externalities and information asymmetries, particularly in employment, consumer protection, and environmental protection. Governments should also promote competition by preventing monopolistic practices and ensuring the freedom for individuals and businesses to enter various markets. In a broader sense, the role of governments in market economies is to maintain public safety and security through enforcing laws and regulations. But governments can also fail. Therefore, neoliberals demand that governments must act within certain limits to prevent arbitrary power, ensure individual freedom, and avoid unintended consequences. Governments should refrain from extensive economic intervention and leave it to the impersonal price system to guide individual market choices. By adhering to the principles of limited intervention and the rule of law, governments can create a favorable environment for dynamic and efficient market economies to flourish (Jacobs and Mazzucato, 2016, pp. 16-17). In this sense, *freedom* not only refers to individuals but also to markets. But what does a *free* market economy imply?

In tribal, feudal, and mercantile forms of society, economic activity was a function of the social order, producing and distributing goods. With the rise of classical economics in the eighteenth century, „economic life“ theoretically became a distinct but connected domain of political life and nature. In the twentieth century and with the emergence of macroeconomic theory, „the economy“ was seen and treated as an autonomous, self-sufficient entity detached from society and the environment (D. A. Hirschman, 2016, p. 22). „A self-regulating market demands nothing less than the institutional separation of society into an economic and a political sphere“ (Polanyi, 2001, p. 74). As we have seen, to make the autonomous economic sphere function properly, it must

encompass, that is, commodify, all elements of industry such as labor, land, and money. By commodifying labor and land, people and nature become commodities, which are then subject to the laws of the self-regulating market. The result is a market economy that dominates all other institutions in society such as family, religion, education, and politics (Parrique, 2020, p. 47). A market economy can, therefore, only exist in a market society (Polanyi, 2001, p. 74).

In conclusion, the neoliberal form of capitalism is a social order in which the economic system encompasses and subordinates all other domains of society by transferring social interactions into economic transactions. Economic transactions take place in a market and are governed by its laws. The self-regulating price system transmits all information and determines the incomes within the society. The right of *private* ownership grants individuals the ability to own things. Capitalists who own goods, land, and money employ them to make profits and accumulate more capital. Laborers who own their labor sell it to capitalists to earn a living. As each individual constantly strives to improve their situation by participating in markets, acting according to their self-interest, and seeking to make profits, the prosperity of society is collectively increased. This „invisible hand"-dynamism requires *freedom* for individuals to engage in any *enterprise* of their choosing, *voluntary exchange* between buyers and sellers, and *competitive markets*. The neoliberal aspect of capitalism is a philosophy and ideology that promotes the capitalist social order by advocating for individual freedom, free markets, and limited government intervention. In short, neoliberal capitalism is a social order in which individuals have the freedom to own property, compete in self-regulating markets, and increase their wealth by investing their capital or selling their labor. The government maintains law and order, promotes competitive markets, and corrects market failures with minimal market intervention. Neoliberal capitalism promises to be the most efficient, effective, and innovative social order to maximize the utility of society as a whole.[25]

[25] Our revision and analysis of neo/liberal economists excluded topics such as international trade, tax, and monetary policy. It should be noted that neoliberalism also promotes free trade, globalization, and monetarism.

4 Discussion

In this chapter, we will discuss to what extent neoliberal capitalism tends to have Life-affirming and Life-denying characteristics. To this end, the Ethics of Life-Affirmation will serve as an ethical framework. As shown in Chapter 2.5.3, humans affirm Life by protecting and preserving the collective living body while promoting its freedoms and fulfilling its necessities. Metaphysically, Life-affirming and Life-denying are interdependent poles of the same system. Both poles can be seen as qualities or forces interacting with one another. Morally, Life-affirming and Life-denying correspond to human intentions, thinking, actions, and consequences. Since the discussion will focus on the assumptions and ideas of neoliberal capitalism, we will investigate to what extent those underlying factors, metaphysically and morally, foster the continuity of Life and avoid activities that endanger the future viability of the collective living body. We will start the discussion with a general outline of the goals of the Ethics of Life-Affirmation and neoliberal capitalism. Afterwards, we will discuss the idea of freedom and move on to the ontological unit, private ownership rights, wealth accumulation, self-interest, and purposefulness. At the close of the discussion, alternative economic theories shall be suggested.

The highest goal of the Ethics of Life-Affirmation is the self-preservation, evolution, and expression of Life. To this end, environmental elements, ecosystems, and biodiversity must be protected and preserved. By only taking what is needed and using everything that was taken, balance within the collective living body is maintained, and overconsumption is prevented. Because the freedom of all living beings depends on one another and the environments they co-create and co-maintain, the Ethics of Life-Affirmation emphasizes protecting and preserving the collective living body and its vital conditions on Earth as the ultimate value.

In contrast, grounded in utilitarian philosophy, the highest goal in neoliberal capitalism is to maximize happiness and pleasure and minimize pain and suffering for the greatest number of people. To this end, wealth must be created. Wealth is created through the accumulation of capital, which is done by the employment of such capital. Capital is employed through the ownership of things. The ownership of things is guaranteed through private ownership rights, which are granted by the state. The state

has the task of maintaining law and order and correcting market failures. Because free, competitive markets, in which individuals pursue their self-interest, are the most efficient, effective, and innovative way to maximize the utility of society as a whole, neoliberal capitalism emphasizes individual freedom as the ultimate value.

What we can see in this summary is that freedom plays a crucial role in both theories. It is no wonder that Hans Jonas and all liberal thinkers wrote in the legacy of Western thought, which traditionally emphasizes the value of freedom since the Enlightenment. However, there are significant differences in the meaning and implication of how scholars use the term. In the context of the Ethics of Life-Affirmation, freedom is understood as the expression of self-preservation, evolution, and the capacities of living beings, overcoming the resistance of worldly matter. Neoliberals understand freedom primarily as economic freedom, which implies owning property, competing in self-regulating markets, and increasing one's wealth by investing capital or selling labor. In *Capitalism and Freedom* Milton Friedman states:

> „As liberals, we take freedom of the individual, or perhaps the family, as our ultimate goal in judging social arrangements. Freedom as a value in this sense is related to the interrelations among people. [...] [I]n a society freedom has nothing to say about what an individual does with his freedom; it is not an all-embracing ethic. [...] Indeed, a major aim of the liberal is to leave the ethical problem for the individual to wrestle with. The „really" important ethical problems are those that face an individual in a free society - what he should do with his freedom." (Friedman, 2002, p. 12)

Friedman clearly distinguishes between freedom as a social value and freedom as an ethical principle. Neoliberalism advocates for economic freedom without addressing ethical considerations and believes it to be self-sufficient. Because the theoretical framework of neoliberal capitalism dictates the social configuration within which individuals exercise the economic freedom they are afforded, we will examine the extent to which the underlying assumptions and ideas promote human behavior that affirms Life.

Ontologically, freedom in the neoliberal sense is limited to the economic freedom of individuals who own things, employing them to generate wealth. Text passages such as „[e]very man, as long as he does not violate the laws of justice, is left perfectly free to pursue his own interest his own way, and to bring both his industry and capital into competition with those of any other man, or order of men" (Friedman, 1980, p.

28) and „only people have incomes and they derive them through the market from the resources they own, whether these be in the form of corporate stock, or of bonds, or of land, or of their personal capacity“ (Friedman, 1980, pp. 20-21) indicate that the ontological unit in neoliberal philosophy is an individual owner of things. In contrast, the Ethics of Life-Affirmation takes Life as the ontological unit. Since Life strives for freedom in the form of self-preservation and expression of all living beings, the theoretical scope expands to all that lives. The ethical imperative hence implies fostering the continuation of such Life and is not limited to an individual human owner of things.

In order to own things, individuals are granted ownership rights, which allow the possession of private property. Private property is traditionally justified by acquisition through labor and, in neoliberal times, by fair means or exchange without coercion and deception. John Locke justified the appropriation of property only insofar as it conduced to the common good. People may only appropriate as much as they can use or consume without waste, Locke argued. By only taking what one needs, humans would not waste the common stock and destroy portions of goods that belong to others. Herbert Spencer saw ethical problems in private land ownership. Spencer argued that if one person could rightfully own land exclusively, then eventually, private individuals could monopolize all land. The monopolization of land could eventually restrict access to land for others. The Ethics of Life-Affirmation highlights both perspectives.

On the one hand, the acquisition of private property can only be justified as the land is employed to protect, preserve, and foster living beings, ecosystems, and natural cycles. If private ownership rights are used to buy land and, for example, clear the rainforest to build an adventure park, it obviously has more Life-denying consequences. But how about clearing the rainforest to build palm oil plantations? Although the destruction of one of the most abundant habitats and crucial conditions of Life on Earth possess many Life-denying aspects, one might argue that the production of palm oil affirms Life because it contributes to cooking meals, producing cosmetics, and running agriculture in large-scale societies. While the enjoyment and food production of a species does not justify the rejection of the necessities of Life, the Ethic of Life-Affirmation suggests expressing one's freedoms within safeguards that fulfill the necessities of Life on Earth. Since the rainforests are necessary for the existence of

Life as we know it, humans must find other ways to produce food and cosmetics than cutting down the rainforest.

On the other hand, the concept of private property risks restricting living beings in the pursuit of their freedoms. Individuals might buy land and prohibit others from accessing the area. The exclusion could include mountains, forests, and urban areas. While neoliberal capitalism grants private property rights that promote the freedom of those individuals who own land, it can lead to legitimized inequalities, restrictions on the freedoms of others, and even the prevention of the necessities of Life. Hence, the rights of ownership are questionable from a Life-affirming point of view, and their implementation must be accompanied with caution by ethical frameworks. How does the accumulation of capital fit into this picture?

Equipped with ownership rights, individuals cannot only simply own things but also invest them. As John Stuart Mill noticed, the return on investment „is the fundamental motive underlying the effective desire of accumulation, and is far more important than any other“ (J. S. Mill, 2009, p. 64). By investing the things owned by individuals, the return on investments promises further investment opportunities. Money, land, means of production, and labor are typically regarded as forms of investment. All these components of economic activity can be demanded, bought, supplied, and sold in markets. Investing such capital and labor creates opportunities to acquire more that can be reinvested. The consistent investment of capital and labor eventually leads to the accumulation of wealth.

I would like to highlight three points here. First, the accumulation of capital and wealth is based on the assumption that all elements of economic life are commodities. The commodification of land means commodifying the Earth's surface with all its abundance. Natural elements are then seen as resources to be exploited and sold as commodities in competitive markets. Since a neoliberal capitalist society aims to maximize financial gains, natural elements can fall victim to unbridled exploitation. This dominion over nature is justified by Locke and Bastiat, who grounded liberal philosophy in the Old Testament of the Bible. While Locke wrote that God „has given the earth to the children of men“ and that they can „make use of [the world] to the best advantage of life and convenience“ (Locke, 2003, p. 111), Bastiat stated that „He has put us in the midst of a variety of natural resources. By the application

of our faculties to these natural resources, we convert them into products and use them“ (Bastiat, 1998, p. 1). Even though Locke refers to human life when discussing „the best advantages of life,“ successive liberals advocated using the world for the self-interest of individuals based on the utilitarian principle. Bastiat completes the pictures by promoting the commodification of such elements.

From a Life-Affirming stance, humans ought not to place themselves above other living beings. Instead, they understand themselves in the interconnected and interdependent fabric of Life in which all species are respected for their crucial role in maintaining the ecosystems and nutrient cycles vital for Life on Earth. The commodification of natural elements strips away their intrinsic value by separating them from the interconnected web of Life and reducing them to mere economic assets that can be bought and sold. The Ethics of Life-Affirmation cannot justify land employment as a commodity to maximize financial gains. The same is valid for labor. Labor is deeply tied to humans in that it is not merely a commodity to be bought and sold, but is intimately connected to a person's physical, psychological, and moral aspects. When labor is commodified, it is not only the ability to work that is traded, but also the person, which inevitably means that any transaction involving labor impacts the person who owns it. People are thus reduced to a mere unit of production, and their holistic well-being is neglected. The employment of labor and land as commodities to maximize profits is highly questionable for a Life-affirming mindset, leading us to the second point.

Second, the accumulation of wealth is based on profit maximization. Friedman makes the aspect of profit maximization clear several times. For example, he writes in *Capitalism and Freedom*: „Few trends could so thoroughly undermine the very foundations of our free society as the acceptance by corporate officials of a social responsibility other than to make as much money for their stockholders as possible“ (Friedman, 2002, p. 133). In *The Social Responsibility of Business Is to Increase Its Profits* he echos: „[The] responsibility [of a corporate executive] is to conduct the business in accordance with [the shareholder's] desires, which generally will be to make as much money as possible“ (Friedman, 1970).

How can humans protect and preserve the collective living body and its vital conditions when profit maximization drives economic transactions in neoliberal capitalism?

The answer is that Life will not be protected and preserved unless it is financially lucrative. Only when a business model promises to make more money than the costs invested would businesses deal with it. Since profit maximization is the end of a business, all other factors, including labor, land, means of production, and money, are the means to achieve this end. There are a few ways to maximize profits. Businesses can decrease the costs, increase the market price, or sell more units, among others. In theory, the market price and sales depend on self-regulating market mechanisms. The only self-determined way of influencing profit is to produce better and cheaper products. In order to produce cheaper products, businesses need to decrease the cost of production. Looking at the costs of businesses, humans in the form of labor costs, as well as natural elements and means of production costs, make up the minimum selling price to produce financially feasible products. Paying low wages, saving on work safety, or using cheap but environmentally harmful materials and production methods can be incentivized.[26] Profit maximization and competitive markets hence open the room for environmental degradation and social inequality instead of promoting Life. If protection and preservation are not profitable, neoliberals see the state at play in establishing regulations besides free, competitive markets.

Third, the accumulation of capital inherently takes more than an owner of capital needs. For example, once the means of production are bought and labor employed to run a financially feasible bakery, the accumulative dynamic of wealth creation incentivizes expansion and opening a second bakery. The same is valid for land ownership. Once a person has acquired enough capital to buy multiple land areas, neoliberal capitalism lays the ground for buying more land and employing it as capital to accumulate more. Mentioning the risk of taking more than needed does not indicate that everyone in a neoliberal capitalist society would eventually do it. It points out that neoliberal capitalism sets up social structures that favor and even reward such behavior. Maintaining balance and preventing overconsumption by only taking what

[26] From a neoliberal point of view, it is argued that laborers and consumers are protected from employers and producers by the competitive nature of free markets. When an employer offers low-wage jobs, laborers would be free to choose another employer who pays more. The same is true about products. When a producer offers an environmentally questionable product, consumers would have the freedom to buy another product. We will not discuss how much freedom laborers and consumers truly have and how they are protected from competitive market mechanisms. It shall be noted that there is a whole other conversation to be opened.

is needed and using everything taken are therefore not encouraged and incentivized in a neoliberal capitalist order.

Taking the Ethics of Life-Affirmation as the point of view, the exploitation of natural elements, environmental degradation, and social inequality are not viewed as mere market failures to be corrected, but as systemic issues inherent to neoliberal capitalism. By modifying essential elements of Life and using them as a means to maximize profit, neoliberal capitalism seeks to accumulate wealth at the expense of the collective body and its vital conditions. This accumulation dynamic runs the risk of overconsumption, which endangers the balance within the collective living body, including human societies. So why should anyone accumulate wealth at the expense of Life?

As Hirschman found, on a psychological level, acquiring and accumulating wealth fueled by avarice was once seen as a solution for navigating human passions in the seventeenth century. The assumption founded that avarice partnered with self-interest would avoid destructive forces and lead to a more reasonable, rational, and predictable behavior, consequently leading to a more stable social order. Adam Smith justified the embedding of this profit-oriented behavior in social structures by the „invisible hand"-dynamism: „[T]he private interests and passions of men naturally lead them to divide and distribute the stock of every society among all the different employments carried on in it as nearly as possible in the proportion which is most agreeable to the interest of the whole society" (Smith, 1977, p. 835).

Without discussing the empirical validation of Smith's statement, we will focus on its metaphysical and moral components. In line with the interdependent polarity of Life-affirming and Life-denying, I see selfishness and altruism as parts of the same system. Both qualities only exist because the other one does. In each action in a particular situation, say, holding a door open for another person, we can potentially find selfish and altruistic intentions, thinking, and consequences. On the one hand, I could hold the door open for someone because it is just kind to help fellow human beings around me or because I just like to care for others. On the other hand, I could do it because the cultural setting demands it, and I want to avoid social sanction or because I just do not care. Our actions result from multiple factors, including selfish and altruistic qualities. The same is true for competitive and cooperative behavior.

As we have seen in Chapter 2.4.2, the diversity of Life includes both competition and cooperation. Western scientists have primarily stressed the competitive component in mainstream theories, which started to change in the second half of the twentieth century. Against this background, economic theories based on utilitarian philosophy seem to underexpose the complexity of human life by excluding selfless behavior.

The Ethics of Life-Affirmation requires transcending one's self-interest and caring for something greater than oneself. Understanding the interconnectedness to and interdependence on other living beings, all living beings are recognized and respected for their place and contribution to the overall system. Since theories advocating for neoliberal capitalism include selfish behavior only, they lack an essential part of promoting a Life-affirming society. I want to remind that the Ethics of Life-Affirmation intends to guide human endeavours and suggest safeguards for societal development, promising future generations to live on a vital and healthy planet. In order to live in a more Life-affirming future, societies need to be set up in a way that guarantees clean water and air, functioning ecosystems, and biodiversity. Because neoliberal capitalism operates on the idea of generating financial gains at the expense of such vital conditions, it is doubtful that self-interested behavior in economics can guide large-scale societies towards a Life-affirming future. Besides selfless behavior, neoliberal capitalism also lacks the long-term thinking necessary for responsible actions toward future generations. Profit maximization favors short-term profits over long-term well-being. The ideas of self-interest, short-term profits, and accumulation of wealth based on the utilitarian principle are hence in contradiction to describing and setting up social structures that affirm Life.

Circling back to our point of departure, what is the overall goal of neoliberal capitalism? Why should we behave in a self-interested manner, grant private ownership rights, invest capital, yield short-term profits, and eventually accumulate wealth? The answer neoliberal capitalism provides is that these behaviors will maximize the pleasure and happiness of individuals. When we consider rational, self-interested individuals seeking to maximize profit and accumulate wealth, it becomes clear why individual freedom is considered the ultimate value in the liberal tradition. Any restriction on the decisions of such rational agents would not improve their welfare. Therefore, economic freedom, limited government intervention, profit maximization,

and the relentless accumulation of wealth are promoted as the most important means of maximizing pleasure and happiness. However, this pursuit seems like filling a bottomless glass, as individuals can never accumulate enough wealth to satisfy their desires. This unsatisfiable dynamic highlights the seemingly purposeless nature of this social setting, where the relentless pursuit of profit becomes an end in itself.[27] As Friedman impressively reveals in *Capitalism and Freedom*, he cannot seem to imagine any other purpose for companies than the maximization of profits:

> „If businessmen do have a social responsibility other than making maximum profits for stockholders, how are they to know what it is? Can self-selected private individuals decide what their social interests are? Can they decide how great a burden they are justified in placing on themselves or their stockholders to serve that social interest? Is it tolerable that these public functions of taxation, expenditure, and control be exercised by the people currently in charge of particular enterprises, chosen for those posts by strictly private groups? If businessmen are civil servants rather than the employees of their stockholders, then in a democracy, they will, sooner or later, be chosen by the public techniques of election and appointment. And long before this occurs, their decision-making power will have been taken away from them." (Friedman, 2002, pp. 133-134)

In line with neoliberal capitalism, hospitals do not have the purpose of healing people, farms do not have the purpose of providing food, and utility companies do not have the purpose of supplying electricity. All such businesses aim to make as much profit as possible for the business owners. Take a private hospital as an example. Patients are seen as customers with whom to make money instead of as humans who need to be healed. Because the hospital owners want to maximize their profits, less lucrative patients might need to leave as soon as possible, making space for patients who need more profitable treatments. Doctors could be encouraged to perform more unnecessary operations or prescribe medication due to health insurance reimbursements. Therefore, the service to society has been relegated to the means, while profit maximization has been elevated to the purpose. Moreover, even if sufficient profit is made and enough wealth is accumulated, the neoliberal promise will never be fulfilled, and the bottomless glass will never be filled. The illusion of hope for satisfaction of wealth

[27] With this assertion, the argument aligns with the Aristotelian tradition, which views the pursuit of financial wealth as endless and disconnected from the true needs of life, leading to a purposeless cycle of accumulation. From this perspective, material desires can never be fully satisfied, making the pursuit of profit futile and boundless (Aristotle, n.d.).

accumulation was already noticed by the moral philosopher and founder of classical economics, Adam Smith:

> „Our imagination, which in pain and sorrow seems to be confined and cooped up within our own persons, in times of ease and prosperity expands itself to everything around us. We are then charmed with the beauty of that accommodation which reigns in the palaces and oeconomy of the great; and admire how every thing is adapted to promote their ease, to prevent their wants, to gratify their wishes, and to amuse and entertain their most frivolous desires. If we consider the real satisfaction which all these things are capable of affording, by itself and separated from the beauty of that arrangement which is fitted to promote it, it will always appear in the highest degree contemptible and trifling. But we rarely view it in this abstract and philosophical light. We naturally confound it in our imagination with the order, the regular and harmonious movement of the system, the machine or oeconomy by means of which it is produced. The pleasures of wealth and greatness, when considered in this complex view, strike the imagination as something grand and beautiful and noble, of which the attainment is well worth all the toil and anxiety which we are so apt to bestow upon it.“ (Smith, 1982, p. 9)

As Albert Hirschman found, the illusion of satisfying human needs through the acquisition and accumulation of wealth was intended in the seventeenth century to channel human passions into the seemingly harmless pursuit of avarice, thereby avoiding a destructive social order. Because neoliberal capitalism still promotes economic freedom and rewards self-interested, profit-oriented behavior 400 years later, I am curious whether neoliberal capitalism is an adequate system for the twenty-first century. Let us recap the discussion before looking at a few alternative, potentially more Life-affirming theories in economics.

Neoliberal capitalism and the Ethics of Life-Affirmation deal with freedom. Because neoliberalism's understanding of freedom corresponds only to the economic freedom of individuals who own things, it is questionable whether neoliberal capitalism promotes human behavior that affirms Life. The justification and ethical implications of private ownership rights are questionable as well. Although private ownership does not necessarily reject the necessities of Life, its exclusive nature restricts the freedoms of living beings. Ethical questions about the balance between individual rights and the collective well-being within neoliberal capitalism are to be answered. The accumulation of wealth through constantly reinvesting capital is seen as critical. The commodification of crucial elements of Life, such as land and labor, the pursuit of short-term profit

maximization, and the risk of overconsumption do not guide long-term sustainability, the well-being of the collective living body, and its vital conditions on Earth. The idea of self-interest to maximize the utility of a society is in contradiction to the Ethics of Life-Affirmation. While selfish behavior is understood as part of human nature, selflessness is required to transcend a person's ego and understand oneself embedded in the interconnected fabric of Life. It is unlikely that self-interested profit-orientation encourages behavior that promotes the freedoms of Life and fulfills its necessities. Ultimately, the underlying purpose of neoliberal capitalism is evaluated critically. Because neoliberal capitalism seeks to maximize happiness and pleasure through the accumulation of wealth, it is doubtful if such a society rewards its people with saturation or satisfaction at some point. The incentivized profit maximisation and wealth accumulation are disconnected from the well-being of humans and Life as a whole. From a Life-affirming stance, neoliberal capitalism does not provide a meaningful, responsible, and sustainable goal for human life. It fails to guide human behavior to protect and preserve the collective living body while promoting its freedoms and fulfilling its necessities. In short, neoliberal capitalism cannot be expected to create social structures in which humans tend to affirm Life.

„In sum, capitalism was supposed to accomplish exactly what was soon to be denounced as its worst feature“ (A. O. Hirschman, 1997, p. 132). It is time to embrace forces other than self-interest, avarice, and the pursuit of wealth accumulation. I propose aligning economic theories with the Ethics of Life-Affirmation to promote protecting and preserving the collective living body and its vital conditions on Earth. It would expand this thesis's scope too far to explore alternative economics theories in detail. However, a few approaches shall be mentioned to indicate potential changes in economic theory that might establish social structures that encourage humans to behave in more Life-affirming ways.

Ecological Economics is a transdisciplinary academic research field founded in the 1980s. Scholars following the approach of ecological economics critique of neoliberal economists for prioritizing economic growth over ecological sustainability and social well-being (Costanza et al., 1997, pp. 1-5). They argue that traditional measures of national income accounting, such as GDP, are inadequate for accurately assessing the state of the environment and human well-being. By recognizing the finite nature of

Earth's resources and the need for qualitative improvement without continuous growth in resource throughput, ecological economists call for a shift towards a more ecological view of economics (Daly and Farley, 2011, p. xxii). Because ecological economics recognizes the intrinsic value of nature, promotes sustainable resource management, and advocates for intergenerational equity, the theory corresponds to the Ethics of Life-Affirmation.

Degrowth Economics, an academic movement, challenges the conventional notion of continuous economic growth as a measure of progress (Giacomo D'Alisa, Demaria and Kallis, 2015, pp. 1-8). It advocates for alternative metrics of well-being and prosperity, proposing a reduction in overall consumption and production levels to achieve ecological sustainability and social justice (Kallis, 2018, pp. 7-11). The theory's alignment with Life-affirming principles is evident in its prioritization of the necessities of Life over material accumulation and its advocacy for ecological sustainability.

Circular Economy is an economic model that addresses sustainability challenges by emphasizing the importance of cycles, loops, and flows within economies and societies (Hofmann and Jaeger-Erben, 2023, pp. 10-11). The model aims to minimize waste by designing products to eventually reuse, recycle, or repurpose. It advocates for regenerative systems where materials are continuously circulated within the economy rather than disposed of after use (Calisto Friant, Vermeulen and Salomone, 2024, pp. 3-7). Because the model of circular economy aims to minimize environmental degradation, preserve natural elements, and promote long-term ecological balance, the theory is trusted to align economies towards more Life-affirming settings.

Social Business is a theory Muhammad Yunus proposed in *Creating a World Without Poverty: Social Business and the Future of Capitalism* (2007). The main Idea is to create a form of enterprise that addresses social or environmental issues while operating within a sustainable financial model. It emphasizes the importance of using business as a tool for positive social change while challenging the profit-maximization motive of neoliberal capitalism (Yunus, 2008, pp. 15-19). Yunus particularly emphasizes that economic theories must also take into account the altruistic part of human nature (ibid., p. 33). Social business models are in line with Life-affirming principles by focusing not only on financial sustainability, but also on social and ecological impacts and by incorporating the selfless part of the human being.

The *Economics of the Common Good*, developed by Christian Felber, critiques the profit-driven logic of neoliberal capitalism. In *Change Everything: Creating an Economy for the Common Good* (2015), Felber proposes an economic system based on principles of solidarity, sustainability, and democratic participation. It advocates restructuring economic institutions to prioritize the common good rather than individual profit (Felber, 2018, pp. 46-49). The Economics of the Common Good aligns with the Ethics of Life-Affirmation because it prioritizes collective well-being and ecological sustainability.

Doughnut Economics (2017), a theory established by Kate Raworth, proposes yet another new economic model. This model aims to ensure that everyone on the planet has the resources they need to thrive within the Earth's ecological limits. The model, visualized as a doughnut, represents social and ecological boundaries (Raworth, 2017, pp. 21-26). By emphasizing the need to meet the essential needs of all people while respecting planetary boundaries, doughnut economics promotes values of equity, well-being, and ecological stewardship that align with the Ethics of Life-Affirmation.

Steward-ownership is a concept that rethinks the ownership of companies and permanently secures a company's mission and independence in its legal DNA. The principles of *profits serving a purpose* and *self-governance* underlie steward-ownership. For steward-owned companies, profits are only a means to an end, that is, they are either reinvested in the business, used to repay investors, shared with stakeholders, or donated to charity. The principle of self-governance ensures control remains with the people who are actively engaged in the business, because voting shares can only be held by people in or close to the business. In addition, the business itself can never be sold (Ben-Ami et al., 2023, pp. 9-11). By changing the means-end relationship of profits and granting self-governance, the concept of steward-ownership aligns with the Ethics of Life-Affirmation.

In conclusion, this chapter has critically assessed neoliberal capitalism's ideas and assumptions, such as freedom, private ownership rights, wealth accumulation, self-interest and pursuit of profit maximization based on the Ethics of Life-Affirmation. The discussion has shown that it is highly doubtful whether neoliberal capitalism provides social structures that promote Life-affirming human behavior. At the same time, there are some alternative economic theories, such as Ecological Economics,

Degrowth Economics, the Circular Economy, Social Business, the Economics of the Common Good, Doughnut Economics, and Steward-Ownership proposed that appear to align with Life-affirming principles by prioritizing environmental sustainability, social justice, and collective well-being. While this thesis highlights certain aspects of alternative economic theories that may have more Life-affirming characteristics, determining the full extent of these qualities requires further research.

5 Conclusion

This thesis investigated to what extent neoliberal capitalism tends to have Life-affirming and Life-denying characteristics. To this end, I offered a philosophical interpretation of life, developed an ethical framework - the Ethics of Life-Affirmation - and presented how neoliberal capitalism has been evolving and how it can be characterized today. Ultimately, I discussed the characteristics of neoliberal capitalism based on the Ethics of Life-Affirmation and whether its underlying ideas and assumptions provide social structures that encourage humans to affirm life.

The philosophical interpretation of life challenges the mechanistic and anthropocentric view of evolution and emphasizes the interconnectedness and interdependence of all living beings. Hans Jonas' existential-phenomenological interpretation of life served as the ontological grounding, which extends beyond human experience to all living beings. It emphasizes the existential freedom and phenomenological experience of living bodies, highlighting their interdependence and constant state of becoming. Indigenous philosophy also contributed to the conceptualization by offering a relational ontology, which portrays the cosmos as an interconnected, constantly changing world where all things exist within relationships. The Indigenous perspective highlights that all organisms manifest in a web of countless relationships, transcending individuality. Based on existential, phenomenological, processual, and relational assumptions, life is characterized by a fundamental will to live, an inner horizon, a dynamic nature, and the interconnectedness of all living beings. These characteristics are expressed through the pursuit of freedom, mobilizing effort to overcome resistance and sustaining living bodies, the subjective experience of all organisms, eternal cycles of renewal, and mutual dependencies between all living beings. Life is conceptualized as a collective living body, both a unity and a manifold, with individual organisms being expressions and reflections of the greater whole. Life as a collective living body constantly preserves itself and maintains its vital conditions through a balance of freedom and necessity.

The Ethics of Life-Affirmation based on Jonas' and Indigenous axiology answers the question of what humanity's contribution to life is, that is, how humans affirm life. Metaphysically, Life-affirming and Life-denying qualities are viewed as complementary polarities that interact within a unified system. Both forces are necessary for the

existence of life and contribute to dynamic cycles of renewal and transformation. Derived from this metaphysical conception, the Ethics of Life-Affirmation is a guiding principle for human actions. Humans affirm life by protecting and preserving the collective living body while promoting its freedoms and fulfilling its necessities. While the freedoms of life are promoted by engaging in activities such as self-preservation, growth, learning, creativity, expression, and transcendence, the necessities are fulfilled by ensuring access to material contents, maintaining metabolic processes, and balancing the consumption of natural elements with the preservation of ecosystems. From a Life-affirming point of view, individuals and societies must understand their interconnectedness with all living beings and act responsibly to preserve and protect the collective living body. This ethical principle involves recognizing the autonomy and contributions of other living beings, overcoming ego-driven behaviors, and implementing measures to preserve the vital conditions on Earth. Quantitative measures, such as planetary boundaries, provide frameworks for preserving vital ecological processes and environments. These measures include reducing carbon dioxide levels, conserving biodiversity, and preserving land, freshwater, and nutrient cycles. Overall, the Ethics of Life-Affirmation provides a comprehensive framework for understanding the ethical implications of human actions on life and offers practical guidelines for promoting Life-affirming behavior and safeguarding the collective living body.

Intellectually, the development of neoliberal capitalism can be traced from John Locke to Milton Friedman to illustrate the evolution of economic and philosophical thought from liberalism to neoliberalism. Locke (1632-1704) laid the groundwork by asserting that societies arise to protect property rights. Property ownership is justified as individuals mix their labor with natural elements to make them their own. Adam Smith (1723-1790) introduced the „invisible hand“ concept, arguing for a free market economy and minimal government intervention. Smith laid the foundation for classical economics and the laissez-faire approach. Jeremy Bentham (1748- 1832) proposed utilitarianism, which maximises social welfare through individual self-interest. James Mill (1773–1836) combined the ideas of Smith and Bentham, emphasizing free markets, the accumulation of capital, and individual self-interest. John Stuart Mill (1806-1873) introduced a nuanced approach to political economy, emphasising social welfare and individual freedom. Frederic Bastiat (1801-1850) advocated for individual freedom and

minimal government interference. The law should exist solely to suppress injustice, enabling individuals to pursue their interests freely within a fixed legal framework. Herbert Spencer (1820–1903) also promoted liberal ideals but diverged from traditional views on property rights. Spencer advocated for land leasing from society to prevent monopolization and promote equal freedom by allowing individuals to claim ownership of land's produce after paying rent. Neoclassical economists such as Stanley Jevons (1835-1882), Léon Walras (1834-1910), and Carl Menger (1840-1921) shifted the focus to subjective value, scientific methods, and mathematical analysis, laying the groundwork for macro-economics. As neoliberal economists, Friedrich von Hayek (1899–1992) argued for competitive markets with limited government intervention and emphasized the rule of law, while Milton Friedman (1912-2006) emphasized economic freedom and profit maximization. Hayek's and Friedman's ideas laid the foundation for neoliberal policy, which advocates deregulation, privatization, and competition in free markets. They significantly impacted economic policy and theory around the world today.

Based on the neoliberal thinkers presented, neoliberalism is understood as a philosophy and ideology influencing political policy-making and economic theories. At the same time, capitalism is described as an economic system and social order. Neoliberal capitalism is a society organized around voluntary exchange, economic freedom, private ownership, enterprise, and competitive markets. The social system operates within a market economy characterized by interactions between buyers and sellers, where prices are determined by supply and demand. Markets rely on assumptions such as utilitarian behavior, competition, and the self-regulating price system to function effectively. While emphasizing the importance of free markets and limited government intervention, neoliberal economists acknowledge instances of market failures, such as monopolies and information asymmetries. Neoliberals advocate for a basic regulatory framework for governments to address market failures, promote competition, and maintain public safety and security while refraining from extensive economic intervention. As a social order, neoliberal capitalism impacts societal values and institutions, which subordinate non-economic domains to the laws of the market. This economic-centric view transforms social interactions into economic transactions, leading to the dominance of market forces in various aspects of society. Overall, neoliberal capitalism promises efficiency, innovation, and prosperity by allowing individuals to pursue their

self-interest in competitive markets. Its proponents argue that free markets, economic freedom, and minimal government intervention maximizes overall societal welfare for humans.

The discussion was guided by the question of the extent to which the characteristics of neoliberal capitalism tend to have Life-affirming and Life-denying tendencies. The Ethics of Life-Affirmation served as the analytic framework, investigating whether neoliberal capitalism can provide social structures that promote human behavior that affirms life. First, it was found that significant differences in means and objectives lead to different, contradictory starting points. While the Ethics of Life-Affirmation prioritizes preserving and expressing life, neoliberal capitalism aims to maximize happiness and pleasure through wealth accumulation. Both viewpoints also have divergent meanings of freedom. Freedom, seen from the perspective of the Ethics of Life-Affirmation, is understood as the expression of self-preservation, evolution, and the capacities of living beings, overcoming the resistance of worldly matter. Freedom in the neoliberal sense means economic freedom to own property, compete in self-regulating markets, and increase one's wealth by investing capital or labor. The Ethics of Life-Affirmation critiqued the commodification of natural elements and labor, which, combined with profit maximization, risks overexploitation and social inequality. It was also noted that the inherent tendency of capitalism to encourage wealth accumulation runs the risk of overconsumption, which brings nutrient cycles and ecosystems into imbalance.

Ethical concerns were raised that neoliberal capitalism prioritizes financial profits and wealth accumulation over the well-being of the collective living body and its vital conditions. From a Life-affirming point of view, it was questioned whether the underlying purpose of neoliberal capitalism, pursuing wealth accumulation, indeed leads to satisfaction and happiness. The emphasis on self-interest contradicted the idea of selflessness inherent in affirming Life's interconnectedness. The discussion concluded that it is doubtful that the self-interested pursuit of wealth accumulation fosters behavior that protects and preserves the collective living body while promoting its freedoms and fulfilling its necessities. Instead, economic theories need to align with Life-affirming values. For this reason, alternative economic theories, such as ecological economics, degrowth economics, circular economy, social business, doughnut

economics, and the economics of the common good, were briefly presented. These theories promise to align more with the Ethics of Life-Affirmation.

The research process was a whole journey. As I talked about life-affirming ways of living for a few years without knowing what I mean by it, I was grateful and glad to have the chance to delve into the literature and figure out how life can be approached and conceptualized. At first, I wanted to define categories such as *the conditions of life*, *the living*, and *the life-worthy* and outline life with an interdisciplinary approach. Because this undertaking would extend the scope of a Master's thesis, I based the conceptualization of life on Hans Jonas' philosophical biology. Jonas chose an existential-phenomenological approach and overcame Cartesian dualism and Charles Darwin's mechanistic interpretation of life. I welcomed the idea of understanding life as a body-mind-unity without giving the material body a primary existence. However, I criticized Jonas for putting humanity at the forefront of evolution and following in the footsteps of the Great Chain of Being. After arguing why Jonas's hierarchical categorization of plants, animals, and humans lacks empirical coherence and evidence, I drew from Indigenous scholars who provided the remaining philosophical necessities to adequately conceptualize life as a phenomenon based on existential, phenomenological, relational, and processual assumptions. Jonas and Indigenous scholars provided the ontological grounding and the axiological foundation to develop the Ethics of Life-Affirmation.

It was a significant challenge to delve into a vast landscape of literature drawing from metaphysics, ethics, and multiple disciplines in the natural sciences. Another challenge I have faced was bringing this breadth of information into a condensed, comprehensive form. I faced the same challenge in the economics chapter. So many theories and academic fields are trying to describe how capitalism has been evolving. I eventually traced the social, economic, and legal changes in multiple world regions based on material and ideal features such as the displacement of subsistence farmers, the establishment of modern property laws, the establishment of a consumerist, the emergence of positive attitudes towards economic enterprise, self-interested individuals, and the pursuit of material goods. I chose liberal and neoliberal economists based on literature with which I was already familiar and on some that I had not read. They were significant contributors to the economics that describe neoliberal capitalism

today. It was interesting to understand that no all-encompassing theory explains or describes capitalism. Instead, economists try to explain a selected area of that immense complex system based on specific assumptions that exclude other relevant facts and features to make statements and predictions within a minimal theoretical frame. The discussion has shown that neoliberal economists use theories and models that are inadequate tools for providing Life-affirming safeguards for individual human beings and societies. Instead, the neoliberal version of capitalism envisioned by mainstream economists places self-interest, profit-maximization, and wealth accumulation over the protection and preservation of life and its vital conditions on Earth. Future research will investigate alternative economic theories and analyze to what extent their underlying assumptions and ideas tend to have Life-affirming and Life-denying characteristics and whether they can provide social structures in which human behavior is fostered to affirm Life.

I hope this thesis helps broaden our understanding of life by proposing a philosophical interpretation that prevents a materialistic and reductionist approach. Life presented in this thesis appears as an interconnected and interdependent body of living beings that creates and maintains its vital conditions to thrive. The collective living body constantly changes, undergoes seemingly eternal cycles of renewal, and forms a regenerative fabric. In the fabric of life, all living beings have a subjective experience, a mind, and a will to live. Furthermore, I believe that the analysis and discussion of neoliberal capitalism offer a comprehensive overview of its historical roots, current conceptualization, and theoretical assumptions. The thesis provides insights into what image of mankind underlies mainstream economics and why we might live in specific social settings, that is, self-interested individuals pursuing wealth accumulation in competitive markets with limited government intervention. The alternative theories presented intend to show that economic theories and the social systems they describe are not fixed. From a processual perspective, everything is constantly changing. Through our subjective experience, the associated ability to act and the interconnectedness of all things, each person contributes to reproducing the system in which they live. However, our inherent agency also holds the possibility of mobilizing efforts to overcome such a system's resistance and steer the course of social development towards a more Life-affirming future. May we use Life-affirming economic theories as a basis for responsible

coexistence, make the necessary efforts to change economic practices, and leave a healthier and more peaceful world for future generations.

„[Life's] complexity, its vast web of interrelationships and dependencies, is almost beyond comprehension. So complex is it, that we cannot predict with any certainty or accuracy the effects of damage to any one part of it. But that complexity is something we must do our utmost to protect, for it is that which enables it to absorb the worst effects of damage and to heal itself.

Human beings are part of this complex community. We depend on the natural world for every mouthful of food we eat and every lungful of air we breathe. Our health depends on its health. We are now by far the most powerful single species that has ever existed on earth. That power brings great responsibility. It is now up to us to care for the planet and for all the other creatures for whom it is home."

(David Attenborough, 2019)

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