

**Economic Rationalism:  
A Tool of Death or the 'New' Messiah II  
(Revisited)**

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## Abstract

*The euphoric rise of the commercial management model in the design and delivery of human services gives rise to the necessity to revisit some of the notions the senior author posited in 1995.<sup>1</sup>* Since this time we have seen an almost universal shift in thinking to one where it is "progressive & modern" to see service to vulnerable people as a 'marketable commodity'. We have preferred providers, selected in a tendering and bidding war akin to seeking the meat contract for Coles-Meyer. Are we really progressive or have we returned to an older time where vulnerable people were dreaded and merchants were contracted to manage their lives in a pricing war that led to mass incarcerations, sterilisation and even killings?

3 major reasons why discussions of this topic are so emotive are posited and used as themes in addressing the position that when vulnerable, human lives are at stake, a crude business tool must not be elevated to God-like status in decision theory. The exploration's major thesis is that any scientific paradigm must be firmly grounded in explicit positive assumptions and stated values about the people it serves or run the grave risk of falling prey to "the killing thought".. where killing people with disabilities (and others) becomes an "economically rational" consideration.

In the sixteenth and seventeenth centuries there emerged a period of supposed enlightenment that took the world by storm. The Cartesian and Newtonian views of the world threw out that which was based on values and quality and implanted in its place a way of scientific thinking that was thought to be the new and only 'real' science - one based singularly upon quantity as the pinnacle of measurement. Whilst the movement began with the methods of Newtonian physics, it wasn't long before the quantitative view of the world dominated thinking in most areas of human endeavour. In essence, quantification gained popularity in the sciences over the past 300 years because it purported to be rigorous and value free. If we could see it, touch it or measure it in some way it gained credibility. If we couldn't, it became "unscientific". The rationalist observer had no time for the intuitive and discounted meta-physical thinking. Newton and Descartes' mechanical view of the world became the model of scientific endeavour.

The view became the dominant view and soon spread to the social sciences. Psychology, desperately fighting to gain credibility as a serious science, embraced the view and behaviourism was born. People with disabilities were seen as "broken" and the major science became one of trying to fix these "broken" people. If deemed unfixable or uneducable; the "sciences" of management and economics were elicited to explore the cost efficiency of chronic management strategies. One such "strategy" is to kill them. So began the pathway of modernism.<sup>2</sup>

With such a history in mind, it is only with caution (or fool-hardy!) that one enters the discussion on the theme of economic rationalism for at least 3 reasons:-

1. A discussion of economic rationalism runs the risk of falling into the trap of a polarised presentation of people's prejudice in one view or other of the world (e.g. Christian vs. atheist etc.), rather than being a debate that attempts to see if we are able to come to some common ground on what appropriate role economics should play (if any) in decisions about human suffering.
2. Money has taken on a sort of 'religious status' in our Western minds and thus to even suggest a critique of its importance in decision theory is akin to a modern day 'heresy'.
3. There *was* an historical model where a government made very economically 'rational', conscious and documented decisions about impaired human beings. However this model is very difficult to discuss. It was the German Euthanasia Program.<sup>3</sup> Whilst we have many lessons to learn from this program about the unfettered role of economics; for some the lessons are too painful .. for others the lessons are deemed to be too far removed from modern day circumstances to be examined for their lessons.

### **Economic Rationalism**

Part of the difficulty of addressing this topic is the fact that we have yet to shed the Newtonian/Cartesian world view. Even though Einstein's reconceptualisation of physics and the later quantum mechanics created a complete "about face" in the field that started it all; we predominantly live in a world still viewed as mechanistic. Whilst physics has moved on, economics and many of the other social sciences continue to embrace the fallacy of a value free science. The dominant economic vision of the world is one where humans are no more than rational calculating machines whose sole purpose in life is to maximise one's own personal welfare. This borrowed mechanical model also has no room for values and also purports to be value free. In economics the market place is substituted for moral judgements. Community is viewed as an aggregate of self-centred calculating machines and love is seen as no more than a "non-marketable household commodity."<sup>4</sup> (We might well chuckle at this "cold", simplistic view of the world; however Gary

Becker won the Nobel prize in economics in 1992 using these thoughts to expand economic analysis to human behaviour!)

Economic rationalism may *serve* us usefully in some areas of life; however its push into "explaining" human behaviour and its rapid elevation to the pinnacle of decision theory is foolhardy. We have been down this road before. It led us to the "rational" thought of killing people with disabilities. It led us to "herd" people with disabilities into work farms and colonies and created competition among managers to see how cheaply they could feed and clothe. It led to exploitation in their "value free" quest for maximum utilitarian purpose. This premise will be explored more fully in the final theme.

The Newtonian/Cartesian world view and conceptualisation of scientific study was rigorous; however we now know that no human endeavour is value free. Those that continue to declare to be "value free" are indeed less-scientific because they refuse to acknowledge their underlying assumptions of (at the very least) their selection and interpretations of the data that they choose to study. Indeed it is essential that we look at some of the underpinning values and assumptions of economic rationalism for it can give us an insight into why decisions are made as they are and what will logically flow from these underpinning values and assumptions. Of course assumptions that are not explicit can only be inferred from behaviour and as such are likely to be contested by advocates of the model. It is up to each of us to look at the evidence and decide whether the analysis is accurate, and if so, what are the implications that flow from this.

Three high order values of our society in particular seem to be at the heart of economic rationalism:

*Materialism.* If we look at our own lives and those of our fellow citizens, it is hard to deny that materialism is a central driving value. Money has become the new God of our lives, supplanting almost all spiritual considerations as a dominant driving force for our behaviour. Clearly materialism is at the heart of economic rationalism -- if this was not the case economic rationalism would be irrelevant as a major process of decision making.

*Utilitarianism.* Our society is vitally concerned with the measured usefulness of objects, processes and people. If a process or person is not found to be useful or an alternative can be found that is more useful, then the less useful method or person will be supplanted. This core value is also at the heart of economic rationalism, with decisions being focused around comparative usefulness of processes or people, the notion of competition and the free market to determine the relative utility of different processes and people, and decisions being based almost completely on utilitarian criteria.

*Individualism.* Wherever we look in advertising, we see our individualism as a central focus. We are encouraged to strive for individual attainment, sports stars are accorded god-like status and elections are focused around individual leaders rather than policies. Individualism is also at the heart of economic rationalism. Individuals are expected to compete on the open market and any collectives such as unions or local communities are disparaged, undermined or ignored.

These values could be collapsed into a generic term 'money god' to describe how these values coalesce to form a driving force equivalent to the Gods of previous eras.

It would be most difficult to understand the human "service" scene today; if we did not also understand that formal human service models reflect the values and beliefs of the larger society. Formal services are shaped and controlled by the thinking of the larger society ... and it's 'gods'.

Therefore it is not surprising that human services have also elevated societal values and economics to a 'god-like' status. What human service has not said, "If only we had more money, we could serve so much more or so much better"? How many of us have changed our goals in service to people with disabilities because "there isn't any money in it?" How many have resisted the latest grant craze based on values that we do not share?

### **Key guiding assumptions of economic rationalism in human services.**

It is our contention that we can also discern some major driving assumptions of economic rationalism that combine under the societal values to produce a force that is inherently damaging to people with disabilities and their families. Cocks (1987)<sup>5</sup> argued that three major models -- bureaucratic, technological and professional -- combine to define the nature of the problem and its solution in terms of the assumptions inherent in those three models. It could be argued that since that time, the professional model has decreased in importance to be supplanted by the management/business model which combines with technology and bureaucracy to provide a combination of extraordinary power. It is our contention that 'economic rationalism is in fact the combination of these three models -- bureaucracy, technology and business/management. Some assumptions of the current economic rationalism in human services are:

1. The problem is inadequacy of the people or their families and communities. Hence we spend huge amounts of time assessing people and their families/communities in terms of their deficiencies. Support or solutions need to be found outside of these deficient people and their natural support structures.
2. In terms of fairness and objectivity, decisions need to be made by people who have a distance from the subjectively experienced problem. Those close to the problem are likely to be seen as 'soft', 'emotional' and have clouded judgement. Staff will be counselled against getting too close, major decisions will be made by people who have no knowledge of the individuals as they will be more likely to be 'fair', 'balanced' and free of any ideological values.
3. The solution to human problems lies in formal human services. Thus grief will require a grief counsellor, disability will need disability experts and different parts of the body will need different experts. This flows from the technological model where the body is a machine that needs repair by experts and if all of the individual bits are working appropriately, the whole machine will operate.
4. Formal human services need to be complex. Higher technology solutions will be favoured over low technology ones, management systems will be incorporated into services and even the lives of people.
5. Human problems need to be managed. Thus formal human services will continually strive for the best balance between centralisation and regionalisation, restructuring will be almost continuous, there will be a continual search for the perfect manager who will implement change to justify their role and be dispensed with when the promised outcomes do not eventuate. When systems fail, the answer will be in new and more complex systems.
6. Large size is needed to gain comprehensive coverage of the 'problem' and ensure economies of scale. Anyone who has studied economics is aware of the concept of diseconomies of scale where beyond a certain size the losses due to complexities and distance of decision makers

from the task exceed economies due to increased size. However in human services this concept is never acknowledged.

7. There needs to be a major focus on inputs and outputs, rather than life outcomes. As life outcomes such as happiness or well being are too difficult to measure objectively, we will instead measure things that we can measure objectively and which are assumed to be related to these outcomes -- such as hours of service or category of living environments achieved. Inputs and outputs will be monitored exhaustively in the name of accountability and efficiency. This method of assessment means that problems due to diseconomies of scale, complexity or human problems being overlooked are likely to only become apparent through scandals or other external processes. It will also lead to absurdities such as human need and responses to it being brought down to the level of a formula.

8. Services must be judged on the efficient utilisation of resources to achieve maximum (rather than optimum) outputs. Hence people who are difficult to serve will upset efficiency balances and are likely to either not receive a service or receive an extremely poor service.

9. Service users are consumers. As in other areas of business, the customer has to be satisfied, but the responsibility of the business is to the shareholders (the funder). Particularly in a monopoly or oligopoly (as is the case with human services where demand far exceeds supply), customer demands can be largely ignored provided the requirements of the shareholders are met.

### **Values of the 'money god' and their combination with assumptions of economic rationalism.**

If materialism, utilitarianism and individualism are at the core of the money god, then there will be many lesser gods as well. Health, wealth, beauty, youthfulness, vitality, strength, intelligence all pervade our media. Indeed we can all recognise these values as we try to lose weight, become concerned about wrinkles, engage in fitness programs and so on.

Mass media also gives us a view of what our society does not aspire to ... in fact even dreads. Physical weakness, poverty, age, dependence and non-productivity are some examples. The danger comes when we combine those values with the enormous power of economic rationalism. Even some babies are lowly rated; even scorned .. to the point where our media has re-entered the 30's debate about their "sensible" destruction ... with a least some of the argument resting on economics as the pinnacle rationale.<sup>6</sup>

Peter Singer, the Australian ethicist now in the US, put the position quite blandly:

*"For once we remove the assumption that an animal must be human in order to have some kind of right to life, then we must look at the characteristics and capacities that an animal must possess in order to have that right. When we do that however, we will not be able to notice that, if we set the standard anywhere above the possession of life itself, some human beings will fail to meet it. Then it will become very difficult to maintain that these humans have a right to life while simultaneously denying the same right to animals with equal or superior characteristics or capacities."*  
-Peter Singer, *Rethinking Life & Death*, 1994 p. 183<sup>7</sup>

It should be noted that books by Peter Singer detailing views such as these are widely used as texts in ethics course throughout the western world. Even our legislatures have begun to consider the

"rationality" of killing people who are or might become disabled. (eg Northern Territory etc). This fact was so new when the first version of this paper was started that the thought was only beginning to be alarming. We now have a whole political party (the Greens) with euthanasia as one of its policies, informed by one of their previous candidates ... Peter Singer.

It is at this point that holding the 'money-god' in such high regard becomes quite problematic (at least for those at the muzzle-end of the gun!). When a society 'bows' before the alter of economic rationalism our economic managers, the 'high priests' of the money-god, demand that we show cost-benefit in the *sanctity of human life* or else consider the "rationalism" of sacrificing our weak for the sake of the strong, sacrifice our poor for the sake of the rich, sacrifice our elders for the sake of our youth, sacrifice our inter-dependence for the sake of our independence. These new "value free values" are a complete "about-face" on the notions of sacrifice taught to our earlier generations.

To view how these and other features of modernity came together in the 'real world' ...when left unchecked by a set of higher principles we turn your attention to the third theme.

### **Economic Rationalism in Another Place .. Not So Long Ago**

The German Euthanasia Program was a blueprint of economic rationalism for the 'human service' system of Hitler's Germany. Those who were physically, emotionally or mentally 'defective' were 'sacrificed' for the sake of the strong. Some of the early legislation for the program was imported from America, where they were conducting a large sterilisation programme on its own citizens with disabilities at the time. (Some 70,000 women and men with impairments were sterilised from the early 1900's through to the late 1970's in the USA).<sup>8</sup>

The German program went beyond sterilisation and began killing people with disabilities. This program was in operation for 2 full years before Hitler's Government applied the program to the genocide of others (including, but not only the Jews)... the history that we do all know. What we may not recall so well is the leading roles of science and economics in all of this.

The role of science is exemplified in a most influential book, *The Release of the Destruction of Life Devoid of Value*, which was written by 2 scientists in 1920, and used in defence by scientists later found responsible (among a number of other things) of killing over a thousand patients in a mental institution in Hadmar.<sup>9</sup> The notion of 'worthless people-of no value' was thought out well before the Nazi's program was conceived. What we are only now uncovering is that some of these policies were imported from America, the 'land of the free & home of the brave'. We might also contrast the German terminology of "useless eaters" with our current concern about the "burden of the aged and disabled".

Wertham describes the economic aspects of the program as something new to the history of violence because of its organised, planned use of scientific techniques for killing and processing people into commercial products (eg fertilisers).

*" It was not a disorderly orgy of primitive violence but a mass action lasting years and carried out with pedantic orderliness." <sup>10</sup>8*

Further we know it was deemed economically rational by not only the Nazi government but by private local, national and international businesses that demanded more and more of the cheap, slave labour supplied by the concentration camps and more people with impairments for drug experimentation. Some of these businesses built fortunes in the processing of human life and still exist today. For example, at one time one-half of the 200,000 workers employed by I.G. Farben

were slave labourers ... the better-known names of firms employing this slave labour from concentration camps are Krupp, Siemens, AGC (General Electric Company), I.G. Farben, Volkswagon-Works, Continental Rubber, Daimler-Benz, Shell (Floridsdorf, near Vienna), and the Bavarian Motor Works (BMW).<sup>11</sup>

It is essential to an understanding of the profundity of these lessons, that we examine just how strong and orderly the economic rationale was.

Until February, 1945, the police and SS bureaucrat Himmler met frequently with his advisory circle of thirty or forty leading industrialists, bankers, and other members of the economic elite. A high-level order from the central office of the SS addressed to the commanders of the concentration camps said:

*"It is self understood that the first thing to be considered is the hundred percent economic use of inmates."*

*The commercialisation of mass violence proceeded along 5 main lines:*

- 1. Slave labour*
- 2. Disposal of victims' property and personal belongings*
- 3. Commercial utilisation of human bodies*
- 4. Supplying gas chambers and crematory furnaces as well as chemicals, for killing and disposing of bodies*
- 5. Using victims as test objects for commercial products*<sup>12</sup>

Each point has profound implications for the study of economic rationalism (as well as for the model of management ..including behavioural management and privatisation of human service management). Briefly:

#### *Slave labour*

The stated rationale of this strategy was "to give the inmates as little as possible to eat and to make them work until they died of exhaustion.." There was a 'ranking scale' of whom this should be applied to as priority and a policy of exchanging weaker workers with stronger ones.

The weak ones were disposed of. They were sent to a place with mass-killing equipment ..This was part of the whole industrial procedure. A regular weekly report of I.G. Auschwitz (part of the dye trust of I.G. Farben) ... states that the SS and industry managers "agreed that all weak prisoners could be got rid of so that we have the guarantee of almost full working performance". From 1933 to 1945 the expenses for the SS for one inmate averaged about ten cents. Inmates were rented out to private industry at the price of \$1 a day or, for skilled workers, \$1.50 a day.<sup>13</sup>

This was a huge profit for both the SS and private industry .. all with the full knowledge and acknowledgement of the source, plight and fate of the workers by managers and executives of the private corporations. For example, the minutes of Siemens, a big electrical company, notes over several years "the progress of requisitioning" the slave labour needed to replace the 500 or so inmates that perished every 6 or 8 weeks. In another twist on privatisation, one industrial plant in Poland had its own place of execution where even pregnant women were executed without any SS involvement. This was private enterprise.<sup>14</sup>

Of course discussion of this programme is easily dismissed as "past history" and others will believe it to be "pulling a long bow" in relating its lessons to the contemporary human service scene for



people with disabilities. However, if even small parts of these sorts of these things are beginning to happen again; we must seriously ask what role we expect of economic rationalism in addressing human suffering. Will it be the 'new' Messiah or once again be used as a tool of death?

### **Critical Decisions About Sacrifice**

We reach a point of fundamental decision about sacrifice with every human when it appears that they are not going to grow, work or be independent. At these critical points we individually and as a society (eg of tax payers, members of service focused groups) consider what we will do.

If ours is a temporary situation .. as in the natural dependence of our children or if someone close to our family is struck down with a temporary illness .. we have traditionally considered it 'worthy' to sacrifice our time, energy and resources to serve upon the dependant person. If the situation is chronic, then we are faced with the same decision ... only the sacrifice called for is more profound and life-long. There is now a frightening trend away from following our traditions in guiding our responses and in their place we have put the measuring stick of economic rationalism. We have for instance, increasing rates of killing children before they are born, increasing infanticide, increasing abandonment of children and increasing calls for the refusal of lifesaving medications and procedures for people who have reached a certain age.<sup>15</sup>

Gartner and Kipsky give us this frightening, modern day example:

..in order to determine which babies with spina bifida should be treated ..doctors at the University of Oklahoma Health Science Center reported in 1983 on *a formula they used in determining quality of life*:  $QL = NE \times (H+S)$ . QL stands for quality of life; NE stands for natural endowment; H stands for contribution from the home and family; and S stands for contribution from society.<sup>16</sup>

In the cases where this formula was used, all who "failed the test" were not given active treatment and died. Those that "passed" received active treatment and lived (except one who later died in an auto accident). To consider this example in combination with the writings of Peter Singer and the power of economic rationalism should give us pause for some reflection on our pre-occupation with objectified 'quality of life scales'.

When the situation appears to be a life-long, permanent one and too costly .. the decision in the "open market place" is opened to the *thought of killing*. In a society guided by the money-god, we are compelled to examine the 'cost-benefit' of destruction of certain people as 'good' for them ... or 'good' for us ... or worse yet ... 'good' for everyone.<sup>17</sup>

This is the essence of the presenting argument for keeping the economic measuring stick a small one. By elevating its importance, we introduce the *thought of killing* as "good" for some.

### **In Summary**

We are more and more faced with a modern human service scene that is driven by dollars - what is good is cost-effective ..what is cost-effective is "good".<sup>18</sup>

In critical decision theory *we need to have a higher goal than cost effective*. This does not mean "good" services must cost more. It just means that we need to measure more than cost.

The authors propose that what we must do first in decisions about how to serve, is to determine what is good ..what would be needed to sanctify the life of people in need of service. We need to determine what is "good" first .. and *then* figure out how to do "it" in frugal ways. The price of not

determining what is good is a critical error resulting in killing thoughts and utilitarian, mass management of suffering human beings.

This paper does not propose that we throw economics out of the picture. As a society we need the little measuring stick of economic analysis to see if we can accomplish more of what is good for more people. What we don't need is the little stick to tell us what is good!

## Footnotes

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<sup>1</sup> Wills, D. (1995) *Economic Rationalism ... A tool of death or the 'New Messiah'*, Australian Disability Review, 3, (4). pp. 18-25.

<sup>2</sup> The essence of rationalism is somewhat encapsulated in the following passage taken from Stevenson on Satre:  
Satre insists that the only foundation for values is human freedom, and that there can be no external or objective justification for the values anyone chooses to adopt... We simply find ourselves existing, and then have to decide what to make of ourselves.  
In Leslie Stevenson (1974). *Satre: Atheistic Existentialism*, in Seven Theories of Human Nature. Oxford University Press, Oxford, P.81.

<sup>3</sup> Wertham, Fredric M.D.,(1969) The German Euthanasia Program: Excerpts from "A Sign For Cain". Hayes Publishing Co., Ohio.

<sup>4</sup> Gary Becker an economist from Chicago won the 1992 Nobel Prize for Economics in applying these views in his book, The Economic Analysis of Human Behaviour. in ABC interview with Dr Clive Hamilton, *The Search for Meaning by Caroline Jones*.

<sup>5</sup> Cocks, E. (1987). Human services for people with intellectual disability in an era of turbulence, and "altered consciousness". Australian and New Zealand Journal of Developmental Disabilities, 13(3), 133-140.

<sup>6</sup> *Alan Jones Live*, (ABC) Perth 11/3/94: debated the implementation of Holland's euthanasia program for elderly people. One speaker advocated medical assistance for anyone who wanted it, including depressed youth who would otherwise commit suicide in a "messy way".  
Catherine Fitzpatrick & Sandra O'Malley, *Organs, babies 'a drain'*, The West Australian, 30/7/94: reports Michele Kosky, executive director of Health Consumers Council statement: "How long are people going to put off death? Life is a miracle and death is inevitable". Fitzpatrick & O'Malley report: "Her comments come after WA ethics specialists Colin Honey, a Uniting Church minister, proposed an age limit on expensive health care to restrict soaring health costs. At the other end of the scale, WA hospitals are already making decisions on whether to save a baby depending on age...because babies could be disabled or cause stress to families."

<sup>7</sup> *Singer, P. (1994) Rethinking Life & Death. Melbourne : Text Publishing.*

<sup>8</sup> *Carry Buck vs RG Shelton*, Record of the Supreme Court of the United States, Number 292, October Term 1926 reported in *A Skirt Through History* (ABC) Perth 4/95.

<sup>9</sup> Binding & Houche (1920) in Wertham, Fredric M.D.,(1969) The German Euthanasia Program: Excerpts from "A Sign For Cain". Hayes Publishing Co., Ohio.

<sup>10</sup> Wertham, *op. cit.*, p.32-33.

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<sup>11</sup> Wertham, *op. cit.*, p 16-17.

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<sup>13</sup> Wertham, *op. cit.* p 14-15.

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<sup>15</sup> Fitzpatrick & O'Malley, *op. cit.*

<sup>16</sup> Richard Gross, Alan Cox & Michael Pollay, "Early Management and Decision Making for the Treatment of Myelomeningocele" **Pediatrics** (1983) in Alan Gartner and Dorothy Lipsky, "Beyond Special Education: Toward a Quality System for All Students", **Harvard Educational Review**, Vol 57, No 4 (1987) [emphasis added]

<sup>17</sup> Alan Jones Live, *op. cit.*

<sup>18</sup> John McKnight, (1976) *Why "Servanthood" is Bad*. **Interaction**, Vol 3:1, p27-31.