Mental Health and Oikos Nomos

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Abstract

This work focuses on the complex dynamics occurring between economic models and psychological aspects, concerning both the individual and the group, and the impact they have on the construction of the mind and social relations.

As Paul Verhaeghe [1] points out, the spread of the neoliberal system has influenced social ties, leading to the development of pathological personality traits originated by a desperate self-interest seeking and a non consideration of others’ welfare. At the heart of social and economic dynamics of this model there is an egoistic behaviour, which atomises individuals, weakens and devalues social ties.

Within the framework of psychology and neuroscience, the substantial literature on the relation has shown instead that human beings are inclined to build relationships with their peers. The breaking of social ties and the isolation provoke not only physical but also mental and social suffering. Here comes the need to discuss on what are the relational dynamics and the economic practises able to reverse the logic of individualism, in order to bring what the literature calls relational goods – goods created in equal and gratuitous exchanges characterised by cooperation and collaboration – back to the centre of human relations.

We believe that Microcredit and Social Business, as intended by the Nobel Peace Prize Muhammad Yunus, represent an example of good practise on a social and economic level, for the development of capabilities and for the promotion of individual and Community welfare.

Introduction
One of the greatest contributions by Norbert Elias [2] on how the mind is influenced by the culture was to underline the inseparable relation between the social and the psychological dimension. The continuing evolution of the society affects the personality of individuals who are forced to adapt to changes occurring in the social context to which they belong. Therefore, social processes have a dual role in the life of individuals: not only do they act as background, but also as active part.

In this section, we wonder about the impact that the neoliberal economic thought – which spread in Western culture in the last thirty years – has had on individuals and the society.

According to Karl Polanyi, [3] [4] a system consisting only in a self-regulating market based on rivalry, such as neoliberalism, seems to be incompatible with every form of solidarity – sociality – being even able to undermine the foundation of the society in itself. In these circumstances the terms of the relation between economy and society are reversed: it is not the economy to be assimilated by social relations – economy embedded in the society – but the opposite, social relations are absorbed and defined by the economic system. Polanyi criticises the dogma of the neoclassical economic school, which considers the quest for profit or, in general, the quest for any material advantage, to be the natural impulse of the human behaviour. In this perspective, the individual is considered in a partial view: the one of *homo oeconomicus*.

Polanyi questions whether the impulse to acquire and make profit can be truly considered as a natural and comprehensive inclination of the human being. His answer is that the principle of self-regulating market, the codification of capitalism as well as of its dogmas appear only in XIX century with the Industrial Revolution, and they represent a sort of historical anomaly. All the previous economic relations were subordinated to social relations and it is only after capitalism when social relations start being subordinated to economic relations.

The belief that human beings are *naturally* dominated by their self-interest and voracity is also analysed by the economist Jeremy Rifkin in his bestseller titled “The Empathic Civilisation” [5].

By observing the most significant stages in human history up to the present day, Rifkin highlights that science, applied to the study of the mind, is now able to show how ‘the animal human being’ is actually biologically inclined to show empathy and, therefore, to build relationships instead of destroying them.
One of the pillars the genetic predisposition to empathy is based on is the discovery of mirror neurons in 1996 by a team of researches of the University of Parma led by Giacomo Rizzolatti.

However, previously, psychologists such as Spitz, Fairbairn, Kouth and Bowlby had already perceived the individual as a result of the relation between himself/herself and the context. In particular, the research work by Winnicott has shown that the individual is actually created within the relationship: relationships shape the individual, and not vice versa [6].

In a recent article, [1] Paul Verhaeghe – clinical psychologist and professor at Ghent University – affirms that neoliberalism is bringing out the worst in us by eliciting the development of personality traits typical of psychopathy: impulsiveness, lack of responsibility, inability to feel guilty and aggressiveness against the weakest ones.

Moreover, in his opinion, the neoliberal economic thought is also increasing pressure on citizens by pushing them to pursue success and power. Verhaeghe states that this system condemns the defeat and generates shame and humiliation in those who fail, instead of encouraging people to find alternative solutions in order to cope with difficult situations. In other words, this economic model is implicitly suggesting an ethic able to contribute in defining people’s identity.

The neoliberal model, according to the above-mentioned authors, is going in the opposite direction compared to the essential needs of human beings and it provokes suffering.

At this stage, it is important to focus on individual, social and macro-social factors, able to promote a different social and economic perspective.

**The individual and the group: Group Analysis’ contribution**

S.H. Foulkes, one of the pioneers of the Group Analytic Theory, affirms that the individual cannot be perceived in isolation because the human life is always developed in a relational context.

In his theory, Foulkes introduces the concept of *matrix* which is “the network of all individual mental processes, the psychological medium in which they meet, communicate and interact” [7] [8] and where individuals develop themselves and their identities.
When we apply Foulkes’ thought to the family group, we can imagine the matrix as a nest made of straw gathered by the ‘animal parent’ in order to create the ‘trunk’ needed to allow the growth of the baby. Inside this ‘nest’ the baby acquires all the physical, relational, social and cultural elements needed to become an individual. Since birth, within various groups of belonging, everyone learns and elaborates all the institutional and cultural elements which define his/her models of coexistence and consequently his/her identity.

Concerning the relations between the individual and the group, in his contribution to game theory, John Forbes Nash [9] highlights four different types of human relations: lose-win, win-lose, lose-lose, win-win. The first two cases are characterised by a rival relationship between the parties: only one side perceives the outcome as positive, in a context where resources are considered scarce.

In the lose-lose type all parties end up losing: war is an example of that.

On the contrary, in the win-win relationship everyone cooperates to achieve a better result than the one each part would have obtained by acting alone. The win-win group is what we consider as a high-relational-potential tool: a context where diversity and horizontal relationships are valorised and social ties as well as each individual belonging to that group are strengthened.

The group and psychotherapy

According to the Group Analytic Theory, individuals are the result of the complex network of relations where they grew up and organised their psychic systems. What holds together the psychic elements forming the psychic system of each individual is the relational structure resulting from the oikös-nomos of the group where the psyche organised itself.

In this regard, we decided to focus our attention on a particular aspect which is deemed necessary in order to valorise the conceptual continuity which binds the economy of the group, the psychotherapy and the reference economic model together.

We consider the group as an agent of change applied to clinical psychology: the psychotherapy group.

According to the Group Analysis, a ‘sick’ individual is the manifestation of a malfunctioning group of origin, the family, which creates a scapegoat embodying the target for group tensions. This is a group adopting exclusionary practises, which
follows win-lose types of relation. The purpose of the therapeutic group is to provide the patient with the corrective emotional experience of a group which follows a win-win type of relation – that is inclusive. In order to achieve the therapeutic effect, the matrix of the psychotherapy group must adopt welcoming practises and works according to the right each member has to feel included and accepted within the group. This is a crucial stage for the achievement of the change needed in the matrix of the patient.

The economy of the group and relational goods

The need to describe the contact points between economy and psychology led us to develop the concept of the economy of the group [10]. A group can be considered as economic when it is referred to a high-relational-potential structure, able to produce relational goods [11] defined as goods based on equal and gratuitous relations focused on reciprocity and shared responsibility. Friendship is the relational good par excellence.

This type of group is a necessary resource for the development of individuals and it creates advantages for both individual persons and the Community. According to John Nash’s framework [9] we can say this group is based on win-win relations.

If we imagine a system where relations are mere commodities, able to produce and originate other relational goods, then we can certainly consider social participation as a value.

Thanks to these dynamisms we can experience the significant correlation between economy and psychology, which becomes even clearer when we take the etymological meaning of the word ‘economy’ into account: oikōs-nomos, the house’s rule, what governs all the relations taken into account.

From these considerations we can therefore say that the Community welfare is bigger when there is less exclusion among its members. The bigger the possibility that everyone has to participate at Community life is, the richer the Community is.

All the aspects described so far determine the characteristic we define as ‘economic’ which leads to the development of both the individual and the group within a virtuous cycle.
The contrast individual/group – essential element in this analysis – has a significant role concerning the issue related to social and economic models.

In a social context, due to political, economic and cultural reasons, we can face situations in which the group prevails over the individual or, vice versa, situations where the individual prevails over the group. In both scenarios, there is a ‘mors tua - vita mea’ relationship, which means a zero-sum relationship between the parties.

If we consider the first model, where the individual prevails over the group, as the attitude expressed by the philosophy of the market economy based on rivalry – the neoliberal model of the *homo oeconomicus* – and the other as the coercive socialist model where the individual is oppressed by the group, we can see how, in both situations, there is a win-lose/lose-win relationship between the individual and the group.

**Microcredit**

The model that follows has been introduced by Professor Muhammad Yunus, who in 2006 won the Nobel Peace Prize for such an incredible undertaking.

This practise, which started in Bangladesh in the 1970s, is aimed at the people Yunus defines as “the poorest of the poor” and women are its main characters [12].

For what concerns credits, it is a very different *oikòs nomos* compared to the one carried out by traditional banks. We can even say it is an oxymoron. This method is indeed aimed at people considered as ‘non-bankable’.

As Yunus states: [13] “They look for the rich, we look for the poor. They go to men, we go to women. They go to the city, we go to the village. They want to know everything about people, their history, their job, we are not interested in the past but in the future of the people. They want collateral, we don’t. They have layers, we don’t.”

With this in mind, Yunus founded Grameen Bank with its head office in Dhaka, the capital of Bangladesh. Grameen derives from the word *gram* which means village and it can be translated with the Italian expression ‘banca rurale’ – rural bank.

Microcredit model is mainly based on trust. Small loans are granted to people excluded from the conventional banking system in order to allow them to start an entrepreneurial activity or to consolidate existing businesses. People who want to be
eligible for a credit and start a project have to form a group of five people they have a trust relationship with. The group is the context where all decisions concerning members, work plans and sequences of loans are taken. Nevertheless, every ‘client’ is accountable for herself before the bank. The group meets weekly in the house of a ‘lender’ in order to repay the loan and to strengthen their relationships through a continuous exchange of expertise and suggestions.

This group can also be considered as a tool through which members contain their anxiety – generated by the type of experience they are facing – and strengthen their personal empowerment. This mechanism allowed Microcredit – as set by Yunus – to achieve repayment rates equivalent to almost all loans. What is of particular interest in the Microcredit experience is that: “from an intangible good, trust, tangible goods are developed, the products made, that in their turn create self-esteem, intangible, that again develops risk taking capabilities that develop further tangible resources...In a virtuous crescendo that merges inside a system based on relational goods” [14].

It is a win-win relationship with the individual and the group interacting through a ‘variable-sum game’, where economy means the increase in resources for both parties.

Yunus’ Microcredit model represents a social and economic ‘revolution’ with significant consequences on the psyche of individuals in their self-representation and in their representation in a social context, surrounded by the others – the group, the Community.

**Yunus Social Business**

Muhammad Yunus’ contribution in creating innovative economic practises does not stop with Microcredit, as it is also extended to business models. According to Yunus [15] the current capitalistic system is incomplete – half-developed capitalism – and it should be integrated with a new type of business able to take the multidimensional human nature into account.

Social Business is born out of this necessity, being the expansion and logic consequence of Microcredit. Entrepreneurs who decide to set up this type of business do not selfishly follow the personal profit maximisation; Social Business entrepreneurs are aimed at achieving particular social goals. We are talking about a
business dedicated in solving social problems and creating jobs for citizens of the Community. Its structure is not different from the one of common businesses; however, profit is not its raison d’être. Investors can only recover their money and once they have recovered it, the entire profit is invested again in the business, in order to expand it and make it more efficient.

According to Yunus, Social Business represents a new solution to the atavistic problem of unemployment. Everyone can be a potential entrepreneur: the youths, the elderly, men, women, literate and illiterate people. This process can help people to overcome extreme frustration and depression that unemployment causes, by giving them the hope of a new life. Thanks to citizens’ creativity, the development of a new economy based on altruism is possible.

**Crisis and hope: beyond the homo oeconomicus**

We believe we are living in a period of crisis provoked by an economic system which has been allowing unacceptable financial speculations. “In today’s world, 85 individuals at the top of the pyramid own more assets than all those in the bottom half. The people at the top own 99% of the world’s wealth, leaving only 1% to the others” [15].

In this context we have experienced a dramatic increase in social and economic inequalities among the different populations, which has caused situations of extreme poverty and harmful conducts against the Planet.

The need to reformulate the model of the homo oeconomicus – where the human being is exclusively oriented towards profit maximisation and personal gain – comes from this disastrous social and economic impasse.

In his attempt to find alternative solutions to this gloomy social and economic scenario, Yunus has developed Microcredit and Social Business, two economic practises which put trust at the centre. Trust, according to Fukuyama [16], is a fundamental element for a good economy and it constitutes the basis to create a civil society – a relational context aimed at exchanging reciprocity, responsibility and justice, while generating vital energy and hope.

**Bibliography**
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