

Frugality

# Frontiers of Business Ethics

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# Frugality

*Rebalancing Material and Spiritual Values  
in Economic Life*

*edited by*

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## Preface

In the international colloquium “Does Frugality Make Sense?” held in Leuven in 2002, *Philippe Van Parijs* summed up six hypotheses as to why frugality might be relevant in today’s context. Frugal tastes facilitate happiness, and they create the conditions for concerns about justice. Frugal habits constitute a personal asset, allow a Pareto improvement, are required for a fair distribution of resources, and are perhaps intrinsically better. The papers of the Leuven conference on frugality (partly published in *Ethical Perspectives* 2003 No. 2) serve as the background inspiration for the book. Another inspiring reference is the work of Laszlo Zsolnai and his colleagues on Buddhist economics and on spirituality in management (*Spirituality and Ethics in Management*. 2004. Kluwer).

Frugality and the complex interplay between spirituality and economic rationality formed the core of the research project “Spirituality and the Economics of Frugality.” This project was proposed by *Luk Bouckaert* (K.U. Leuven), *Hendrik Opdebeeck* (University of Antwerp), *Luc Van Liedekerke* (K.U. Leuven and University of Antwerp) and *Laszlo Zsolnai* (Corvinus University of Budapest). It was launched as the first research and action program of the European SPES Forum, which is an international network promoting Spirituality in Economics and Society that began its activities in 2004 ([www.eurospes.be](http://www.eurospes.be)).

The aims of the Frugality project were threefold. The first aim was to clarify the concept of frugality as a form of spiritual capital. The intention was not only to create an overview of the different spiritual approaches to frugality in Buddhist, Christian, Jewish, Islamic and philosophical traditions, but also to tackle the pitfall of instrumentalization. Is it possible to transform the spiritual meanings of frugality into economic (instrumental) categories such as

“capital,” “investment” and “utility maximization” without losing their intrinsic motivation? How can frugality be expressed as a *spiritual* concern *in* economic and business life? The general assumption is that, although frugality is contrary to consumerism and wild economic growth, it is not contrary to economic rationality as such. It challenges economic theories to introduce nonmaterial and non-instrumental values in the framework of economic decision making and in the models of preference maximization.

Second, research was worked out to explore on a theoretical basis the socioeconomic consequences of the practice of frugality. Related to the interest and backgrounds of the investigators, the project explores the following consequences: (1) The consequences of frugality for organizational and managerial ethics. (2) The consequences of frugality for welfare policies. This requires a public-goods approach to frugality based on the analysis of external effects and Pareto improvement; e.g., the arguments of Robert Frank for a progressive consumption tax on luxury goods. (3) The consequences of frugality for global sustainability and intergenerational justice. The notion of sustainability has reintroduced the idea of limits within the spheres of business, consumption and global policies. But the cost of sustainability must be distributed in a fair way between rich and poor countries and between generations. The project explored how frugality as a global good is a necessary condition for global sustainability and intergenerational justice.

Finally, central to the project was a set of case studies in business where entrepreneurs developed strategies to find a reflective equilibrium between spiritual and material aspirations. These strategies are linked to the style of leadership, the acceptance of limits in growth, the relation to clients and the use of profit.

The Frugality project received a sponsorship from UCSIA (University Center Saint Ignatius – Antwerp) to extend it to the University of Antwerp. For the Spring semester of 2006 Laszlo Zsolnai traveled to Antwerp as UCSIA Visiting Professor. He collaborated with Hendrik Opdebeeck, Luk Bouckaert and Luc Van Liedekerke to develop a framework for discussing frugality in

spiritual and economic perspectives. The research work culminated in the international workshop on 20–21 April 2006 in Antwerp, where 25 scholars participated from Belgium, Hungary, the Netherlands, Norway, Spain, and Britain. The book is mostly based on the papers presented in this workshop.

For our research on frugality and also for this book we selected a powerful symbolic image. It is the famous painting “John the Baptist in the Wilderness” by *Geertgen tot Sint Jans* (reproduced in this book). The picture is also known as Saint John meditating. The draping of his cloth seems to melt in with the curves of the landscape. With his cheek resting on one hand, the saint sits dreaming, thinking, meditating in the loveliest, most subtle, most tenderly green of landscapes. Behind St John the lamb is seen sitting, waiting for the prophecy to be accomplished. This links the picture with Van Eyck’s Mystic Lamb.

To write a book on frugality is one thing; to change the deeply embedded patterns of economic materialism and activism is another. But we believe that a provocative reflection on the basic assumptions and consequences of our economic lifestyle is a first and necessary step. In the European SPES Forum we will continue to stimulate the reflection on frugality as a key concept in the ongoing debate on sustainability and future-oriented welfare policies.

June 2007

*Luk Bouckaert, Hendrik Opdebeeck and Laszlo Zsolnai*



## Acknowledgements

We are grateful for UCSIA (University Centre Saint Ignatius – Antwerp) and its managing director, Professor Walter Nonneman for sponsoring our Frugality project and this publication. The main objective of UCSIA is to continue the Jesuit tradition of involvement in university education, research and community service in the Flemish and Antwerp region. UCSIA intends to complement and support the scholarly mission of the University of Antwerp with a strong focus on socially relevant issues, involving aspects of worldview and religion, through an academic and interdisciplinary approach. UCSIA achieves its mission by offering scholarships to renowned researchers, organizing interdisciplinary summer programmes, lecture series, conferences and symposia or by stimulating scientific publications. For more information, on its mission and activities see [www.ucsia.org](http://www.ucsia.org).

We hope that our efforts to create a spiritual case for frugality can contribute to the realization of this mission.

*Luk Bouckaert, Hendrik Opdebeeck and Laszlo Zsolnai*





*Geertgen tot Sint Jans: John the Baptist in the Wilderness*

Oil on panel (42 × 28 cm) 1490–95

Gemäldegalerie der Staatlichen Museen, Berlin

