

## QUORAPEDIA.📖

### Summative assessment:

**Gap-filling activity** (Instruction: start by guessing the words that are missing. Then read out the proposed list of vocabulary items belonging to the economics domain. Identify the grammar category of the missing word. Then draw a short list of possibilities. Analyse context of words. Only then choose your proposed item).

### [https://en.wikipedia.org/wiki/Homo\\_economicus](https://en.wikipedia.org/wiki/Homo_economicus)

The term "economic man" was used for the first time in the late nineteenth century by critics of John Stuart Mill's work on **political** economy. Below is a passage from Mill's work that critics referred to:

[Political economy] does not treat the whole of man's nature as modified by the social state, nor of the whole conduct of man in society. It is concerned with him solely as a being who desires to possess wealth, and who is capable of judging the comparative

**Efficacy** of means for obtaining that end. Later in the same work, Mill stated that he was proposing "an arbitrary definition of man, as a being who inevitably does that by which he may obtain the greatest amount of necessaries, conveniences, and luxuries, with the smallest **quantity** of labour and physical self-denial with which they can be obtained."

Adam Smith, in the Theory of Moral Sentiments, had claimed that individuals have sympathy for the **well-being** of others. On the other hand, in the Wealth of Nations, Smith wrote:

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.

This comment is perfectly in line with the notion of *Homo economicus* and the idea, propounded by Smith in *The Wealth of Nations* and, in the 20th century, by the likes of Ayn Rand (in *The Virtue of Selfishness*, for example), that pursuing narrow, individual **self-interest** promotes social well-being. In Book V, Chapter I, Smith argues, "The man whose whole life is spent in performing a few simple **operations**, of which

the effects are perhaps always the same, or very nearly the same, has no occasion to exert his understanding or to exercise his invention in finding out expedients for removing difficulties which never occur. He naturally loses, therefore, the habit of such exertion, and generally becomes as stupid and ignorant as it is possible for a human creature to become." This could be seen as prefiguring one part of Marx's theory of **alienation** of labor; and also as a pro-worker argument against the division of labor and the restrictions it places upon freedom of occupation. But even so, taken in the context of the work as a whole, Smith clearly intends it in a pro-capitalism, pro-bourgeoisie, way: "removing difficulties", such as reducing the time needed for travel and **trade**, through "expedients", such as steam-engine ships, here means the typical argument that capitalism brings freedom of entrepreneurship

and **innovation**

which then bring prosperity. Thus, Smith is not unreasonably called "The Father of Capitalism"; early on, he theorized many of today's most widespread and deep-seated pro-capitalism arguments.

The early role of Homo Economicus within neoclassical theory was summarised to include a general objective of discovering laws and principles to accelerate further **growth** within the national economy and the welfare of ordinary citizens. These laws and principles were determined by two governing factors, natural and social.<sup>[6]</sup> It had been found to be the foundation of neoclassical theory of the which assumed that individual agents would act rationally amongst other rational individuals. In which Adam Smith explains that the actions of those that are rational and self- interested under homo economicus promotes the general good overall which was

understood as the efficient allocation of material **wealth**. However, social scientists had doubted the actual importance of income and wealth to overall happiness in societies.

The term 'Homo economicus' was initially critiqued for its portrayal of the ----

**Human** agent as a narrowly defined, money-making animal, a characterization heavily influenced by the works of Adam Smith and John Stuart Mill. Authors from the English Historical School of Economics sought to demote this **model** from its broad classification under the 'genus homo', arguing that it insufficiently captured the complex ethical and behavioral dimensions of human decision-making. Their critique emphasized the need for a more nuanced understanding of **economic** agency beyond the mere pursuit of economic rationality.

The term "economic man" then took on a more specific meaning: a person who acted rationally on complete knowledge out of self-interest and the desire for wealth.

### Keys in disorder

; human ; growth ; operations; well-being; ; self-interest, model; alienation. political. quantity; ; trade; wealth; economic; firm ; efficacy ; innovation;

1. **political** - The term "economic man" was used for the first time in the late nineteenth century by critics of John Stuart Mill's work on **political** economy.
2. **efficacy** - [Political economy] is concerned with him solely as a being who desires to possess wealth, and who is capable of judging the comparative **efficacy** of means for obtaining that end.
3. **quantity** - Later in the same work, Mill stated that he was proposing "an arbitrary definition of man, as a being who inevitably does that by which he may obtain the greatest amount of necessities, conveniences, and luxuries, with the smallest **quantity** of labour and physical self-denial with which they can be obtained."
4. **well-being** - Adam Smith, in the Theory of Moral Sentiments, had claimed that individuals have sympathy for the **well-being** of others.
5. **self-interest** - This comment is perfectly in line with the notion of Homo economicus and the idea, propounded by Smith in The Wealth of Nations and, in the 20th century, by the likes of Ayn Rand, that pursuing narrow, individual **self-interest** promotes social well-being.
6. **operations** - "The man whose whole life is spent in performing a few simple **operations**, of which the effects are perhaps always the same, or very nearly the same, has no occasion to exert his understanding or to exercise his invention in finding out expedients for removing difficulties which never occur."

7. **alienation** - This could be seen as prefiguring one part of Marx's theory of **alienation** of labor.
8. **trade** - But even so, taken in the context of the work as a whole, Smith clearly intends it in a pro-capitalism, pro-bourgeoisie, way: "removing difficulties", such as reducing the time needed for travel and **trade**.
9. **innovation** - Through "expedients", such as steam-engine ships, here means the typical argument that capitalism brings freedom of entrepreneurship and **innovation**.
10. **growth** - The early role of Homo Economicus within neoclassical theory was summarised to include a general objective of discovering laws and principles to accelerate further **growth** within the national economy.
11. **firm** - It had been found to be the foundation of neoclassical theory of the **firm**.
12. **wealth** - In which Adam Smith explains that the actions of those that are rational and self-interested under homo economicus promotes the general good overall which was understood as the efficient allocation of material **wealth**.
13. **human** - The term 'Homo economicus' was initially critiqued for its portrayal of the **human** agent as a narrowly defined, money-making animal.
14. **model** - Authors from the English Historical School of Economics sought to demote this **model** from its broad classification under the 'genus homo'.
15. **economic** - Their critique emphasized the need for a more nuanced understanding of **economic** agency beyond the mere pursuit of economic rationality.