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RESEARCH ARTICLE

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Pragmatic Humanism - 10 Practical Guidelines

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ABSTRACT

In the 18th Century, British Empiricism founded modern empirical science to overcome human prejudices by religion, tradition and personality. Pragmatic Humanism supports personal responsibility by 10 positivist guidelines serving to unfold our human potential:

• Applied Neuroeconomic Psychology (NeP) Guides Individual Economic Behavior:

(1) Sensitivity training, (2) Entrepreneurship and (3) Stress management. (4) Prevention of subjective biases in behavioral science. (5) Mutual understanding between genders.

• Universal Technology Assessment (UTA) Guides the Priority of Collective Needs:

(6) The marginal global net growth effect will be negative before 2050 pushing burdens to future generations and (7) A subsidy to non-fossil energy alternatives (ES) is recommended to protect the ecosystem. (8) Social welfare by short-term stabilization policies and Universal Basic Income. (9) Democratic collaboration across-the-center serves implementation of (8). (10) UTA divides the global economy in the rich North and the developing South, opening an option for a unilateral implementation of ES by the Global North.

The Discussion focuses both on the relation between Pragmatic Humanism and democracy, and how ES in a globalized economy must replace the mainstream recommendation of a tariff on CO2 emission (ET).

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Introduction

British Empiricism (Bacon, Berkeley, Locke and Hume) recognized in the 18th Century that philosophical human values were based on prejudices by religion, tradition and personality, wherefore they prioritised knowledge via the senses over reason or the intellect and denied the existence of innate ideas [1]. To overcome prejudices, they recommended data-based falsification of theories before acceptance as a new cognitive standard. This gave birth to empirical science affecting an explosive technological progress, improving the conditions of life without precedence in human history. Economics was formed to guide the use of goods, services and economic solidarity [2]. Since WW2, the Neoclassical Paradigm of bounded rationality (BR) [3] has guided behavioral economics (BE), but parallelly behavioral psychology has demonstrated a more diversified behavior than previewed by BR. Table 1 shows the spectrum of BE with the Big 5 Tempers ordered by risk-willingness [4,5].

Replacement of the paradigmatic BR by the positivist 5P Tempers implies that the simple Neoclassical model of growth as growth of GDP per capita must be restructured. Also, negative side-effects by unidimensional growth in GDP are evidenced after WW2:

1. Disruption of the natural climate system causing reinforcing global heating with exponentially rising climate damages as Draughts and Floods [7].
2. Epidemic job-related stress turning Depression as the most heavy human disease 2030 [8].
3. Increasing economic inequality due to excessive profits by multinational companies [9].

The core challenge of modern pragmatic humanism is to develop a multidimensional positivist model of growth, which guides on both individual economic behavior and the 17 UN goals 2015 for sustainable development (UNSG).

Method

Table 2 shows the positivist method in the natural sciences as applied in BE. Natural science has eliminated the subjective aspect, but in behavioral disciplines, like BE, scientists are both observers and actors. BE research must explicitly state the project target group it represents. Subjective preferences dominate the choice of research issues in BE, “Extraverts” are inclined to Type 2 Errors, while “Conscientious” are inclined to Type 1.

Individual economic behavior is synthesized by Neuroeconomic Psychology (NeP) in Figure 1, ordering the Big5 by risk-willingness for guidance of individual economic behavior [6].

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Table 1: Normal Psychological Profiles by Neuroeconomics [6].

Parameter	POSITIVE Correlation		NEGATIVE Correlation	
Temper	**Extravert**	**Open-minded**	**Conscientious**	**Agreeable**
Definition by Am. Psych. Association (APA)	Stimulated by other Outbounded Energetic Talkative No reservations	Receptive to culture/ arguments/aesthetics Curious Innovative Not necessarily consist	Organized Responsible Diligent Efficiency-oriented No procrastination	Collaborative Considerate Orderly/Quiet Sympathetic Non-selfish
Dohmen Score	9-10	6-8	4-5	2-3

Note: The fifth Temper (The Diagnosis Neurotics) should ot be used among laymen.

Table 2: Subjective Positivist Biases in Behavioral Economics [6].

Value-of-Thesis	Sample Indication Accept	Reject
True	POSITIVIST KNOWLEDGE	Type 1 Error Subjective CONSCIENTIOUSNESS
False	Type 2 Error Subjective EXTRAVERSION	INTEGRITY

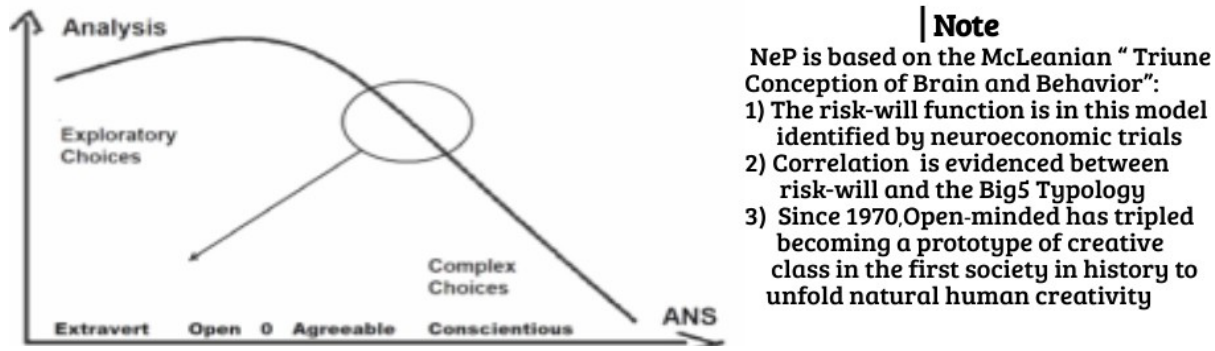


Figure 1: Neuroeconomic Psychology (NeP) [6].

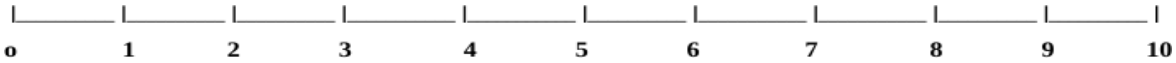


Figure 2: Dohmen Scale on Risk-Willingness.

International scientific databases such as EconLit, Medline, PsychInfo are searched for relevant findings on BE. A study finds that fulfillment of the 17 UNSG can be reduced to the 3P (People, Planet and Prosperity)[10]. This constitutes this growth Formula on UTA:

UTA = F (People, Planet, Prosperity) QALY/Costs

Results

Ad NeP

Sensi-training

Since WW2, the demographic distribution of the Big4 has changed a lot due to the drastic increase in the general level of education. The share of Open-minded with a good flexibility has tripled, while the share of Conscientious has decreased. This demographic development is described as "The rise of the creative class" [11,12], which makes sensitivity to personality differences a crucial faculty to collaborate at all levels of modern society. So, abandonment of the BR Paradigm, requires a simple heuristic for sensitivity-training, see the Heuristic for sensitivity to risk-willingness in accordance with Table 1 in Figure 2.

Try-out yourself, and ask friends and colleagues to do the same. Note their replies and compare with your anticipation using this heuristic to improve your judgment of Temper [6].

Identification of Subjective Biases in Behavioral Science

Table 2 shows how NeP helps to identify the special subjective biases in BE.

Pilot-In-The-Plane as Prototype of Modern Creative Man

The prototype of creativity is identified as "Pilot-in-the-plane" in a doctoral dissertation identifying the following special personality qualities for entrepreneurs [13,14]:

I. Pragmatism to prioritize "Bird-in-hand" before "Birds-On-Roof"
II. Integrity to clarify your "Affordable Loss" by a Budget for the Worst case-scenario
III. Versatility to diversify team building as much as possible like a "Crazy Quilt" of all
IV. Stamina to overcome obstacles or "Sweeten a sour citrus".

Open-mindedness gives an extraordinary flexibility between conscientiousness and extraversion which explains the mental quality characterizing effective entrepreneurship. BR is outdated [3], but it played an important role, supporting the majority belief being rational enough to get a high level of utility from their own income.

Stress-Management

WHO warns that epidemic job-related stress will become the most heavy health burden by 2030 [8]. Figure 1 shows that

cognitive activity around the Temper point is only a small part of total mental dynamics in accordance with Freudian psychology. In-depth relaxation from the Temper point towards Origo frees pre-conscious inhibitions enabling better imagination. 3000 years ago, Indo-Europeans in India discovered mantra-meditation as means to reach Origo (Nirvana) as reported in the Vedic literature. Modern mantra-meditation is practiced in a relaxed sitting position on a simple chair in a quiet place dissolving thoughts by a mantra. Mantra- meditation is in modern time investigated in a series of relaxation experiments at Harvard Medical School [15]. Long-term effects of regular mantra meditation:

I. Significant decline in the stress hormone (plasma cortisol).
II. A meta-analysis finds that regular relaxation exercises complement physical fitness as a health activity that dissolves stress and anxiety.
III. A 14-year, pre- and post-intervention study retrospectively assessed government payments to physicians for treating the TM and comparison groups. Payment to physicians declined 5-13% annually compared with subjects over 6 years.
IV. The psychology of modern meditation summarizes as the "Psychology of Silence" [16].

The basal neurological advice on mental health is self-control or stamina based on physical fitness [17]. Self-control, balancing an increased imagination by meditation, is a strong complement for personal development! Self-control depends on the power of concentration. The "Working Memory" [18], represents a positivist framework for personal development of the necessary self-control to secure the benefits of mantra-meditation:

1. A versatile vocabulary
2. A mathematical methodology on complex issues
3. A cognitive balance between the hemispheres (Imagination and Memory)
4. Rehearsal again and again

Instruction from experienced meditators is recommended, for instance by one of the science-oriented meditation NGOs. Modern devices for Neurofeedback provide a new tool for relaxation. A combination is recommended with instruction from an educated teacher and a personal check of the relaxation effect by a simple Galvanometer.

Mutual Understanding between Genders

Better mutual understanding between genders is requested, because females typically are risk-averse while males typically are risk-willing [19]. Regarding collaboration, these differences are complementary rather than rivalry.

Ad UTA

The Global state of Pragmatic Humanism

The global value of each of the parameters of URA is documented in international databases:
Ad PROSPERITY: 2% GDP growth per capita increases QALY by 3 months [20]. So, Life-Expectancy has redoubled in 200 years. The gain is 1.400 million QALY p.a.
Ad PEOPLE: Epidemic stress with annual costs of 2% of GDP gives 3 million deaths and another million with disabilities. The loss of QALY growth is already 100 million p.a. [21] and is expected to redouble to >200 million QALY in 2050.
Ad PLANET: World Economic Forum warns 2024 that intensified natural disasters by global heating by 2050 will cost $12.5 Trillion USD. Loss is >2 billion QALY p.a. [7].

The marginal net QALY effect of UTA becomes negative before 2050, pushing a net burden to future generations and a new macroeconomic study concludes that the climate damages are even worse, accounting for 30% of the global GDP with an exponential growth [22]. The marginal cost of CO_2 emission is calculated to 1000 USD per ton. The extra costs of alternatives like renewables (sun, wind and thermal energy) is less than 200 USD per ton [23].

Policy for greening the economy

"Limits to Growth'' [24] raised the public concern on reinforcing global heating, see Figure 3. A direct subsidy to green, non-fossil technologies (ES) has at least the same incentive for non-fossil technology without hurting national competitiveness as CO_2. Nuclear fission plants, with France as a forerunner, are today so secure that they must complement renewable energies in the future. The Biden Administration took a first step towards ES targeting a net-zero emission by 2050, and a net-zero power sector 2035 [25] beginning with an energy diplomacy by the Bureau of Energy Resources' (ENR). Already, China is strongly subventioning non-fossil technologies, for instance electric

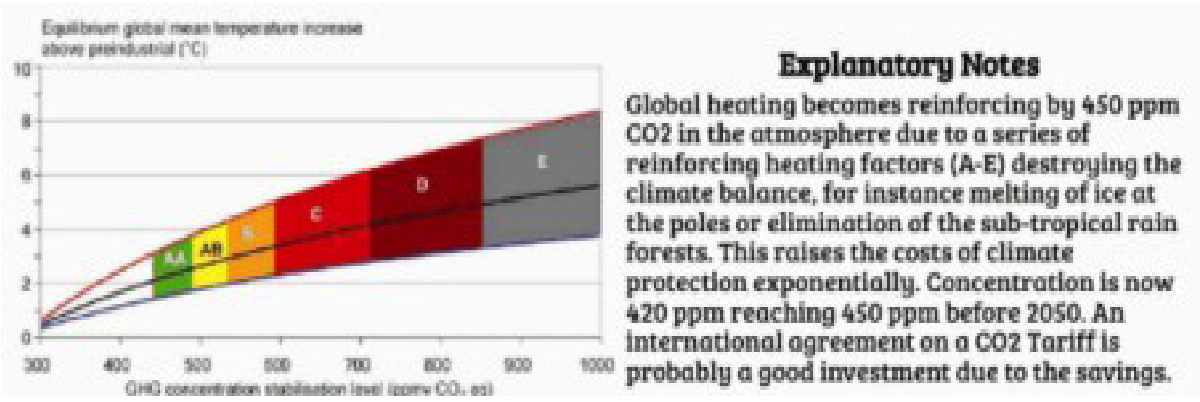


Figure 3: Reinforcing Global Heating.

cars. The European Green Deal 2020 aims, too, to make the EU climate neutral in 2050, but still it lacks financial support.

Another important global threat to the Ecosystem is the special pollution of earth and water by fertilizers used by modern HiTec-agriculture. This implies that alternative forms of ecological agriculture should be subsidized, too. The share of Global GDP from agriculture, forestry and fishing amounts to 4.5% in 2024.

Social Policies for Economic Security, Equality and Simplification

An important condition for long-term economic growth is that the interacting basal macroeconomic conditions are optimized by politicians:

1. A high level of employment (96-98%) where the existing labor force contributes as much as possible to the common best.
2. A high level of employment implies strong competition among the employers, which can raise wages and weaken international competitiveness. 2% inflation is acceptable.
3. Private employment requires low interest rates. The rate of discount must stimulate private investments without an inflationary overstimulation.
4. Governmental malpractice on balancing 1-3 causes a large deficit in the balance of foreign payments. Long-term deficit decreases the rate of foreign exchange which means that the price of foreign goods and services increases making the population more and more poor.
5. The most important means to accomplish issue 1-4 is public finances that enables a "counterintuitive" adaptation of revenues and expenses. In the case of populist pessimism and low employment, an expansive (Keynesian) economic policy is recommended.

Redistribution can increase total social welfare [2] and more Nobel Laureates recommend Universal Basic Income (UBI) for equalization of income and rationalization of personal income taxes. Savings and simplification of personal taxes can finance UBI in the rich North [8] and a Finnish test of UBI among social clients rejects the mainstream criticism of reducing labor supply concluding a positive effect on the labor supply [26]. Social welfare is more than short-term stabilization and UBI! Regarding institutions for social care, healthcare and education, options for large-scale economies mean that collective finance serves both the national economy and economic equality. Social legislation must allow private institutions to complement the public system.

Political Strategy for Implementation of Sustainable Development

Democratic economic policy is a history of fighting wings where the left wing prioritizes social welfare and the right wing market economy. The learning from modern short term economic policies is that prejudices distort short-term economic policies, because "counterintuitive" policies often are the best, which requires collaboration across-the-center (Fig. 4).

In democratic history, collaboration across-the-center has been based on agreements between government and opposition without a formal sharing of governmental responsibilities. Democratic coalitions across the center actually rule in both Germany and Denmark, but such coalitions seem invisible to the population.

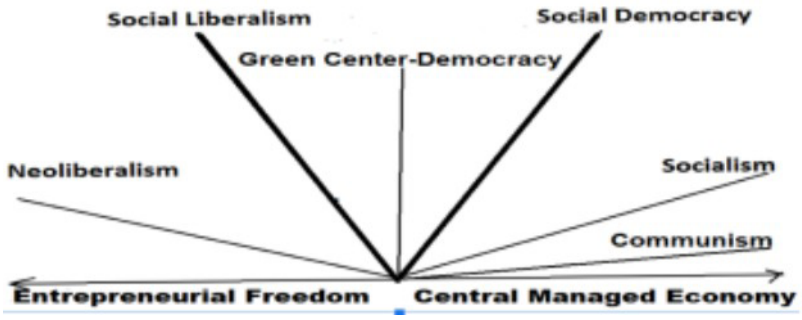
Restructuring the global economy in North and South by income level

The relevant global sub-division is no longer East-West. The 30º North latitude separates roughly North and South by income and by 2021 the IMF changed the definition of Global North to include all countries with an average over the global average income of 15.000 USD. This implies that China, with 14.000 USD per capita, is still part of the Global South. USD is, however, a poor indicator of the Chinese economy. By Power Purchasing Parities (PPP), reflecting costs of living, it is 25.000 PPP per capita in China compared with a global average of 23.000 PPP in 2024. China must be part of the rich Global North in 2024:

- **Global North (Incl. China): 38% of population, 75% of income and 45.000 PPP per capita**
- **Global South (Excl. China): 62% of population, 25% of income and 12.ooo PPP per capita**

This restructure shows Global North is large enough to unilaterally solve the climate crisis!

The rich North (incl. China) emits 80% of the global CO_2 by 70% of global income. A 5-fold payback by substitution of CO_2 implies that the payback is threefold the required climate subsidies of 3% of their total GDP [29]. Besides, the Global North has committed itself in the Paris Agreement 2015 to compensate the South, suffering more from climate damages. COP29 agreed, step-by-step, to triple the support from the original 100 billion USD to 300 billion USD per year at the latest 2035.



Note

The policies complement each other as a common long-term goal for a majority of moderates on each wing [4].Market economy appeals to the right-wing, UBI appeals to the left-wing and ES appeals to moderates on both wings.

Figure 4: The Collaborative Democracy [4].

Discussion

Pragmatism, Humanism and Democracy

Humanists believe that we can live good lives without religion or a belief in God. We can know what is good by using reason, experience and empathy with others, without reference to rules and traditions. Pragmatism is a philosophical tradition that understands knowing the world as inseparable from agency within it. "Pragmatic Humanism" means that we must take responsibility in the practical world in accordance with our human potential as researched by behavioral economics (BE). Figure 1 identifies the special human potential as moderate risk-willingness with Pilot-in-the-plane as the prototype. Not all pragmatic behavior is humanist! Aggression is the extreme of extraversion and risk-aversion is the extreme of agreeableness. Such extremes are not in accordance with our human creative potential, but rooted in our primal heritage. Humanism contrasts a tradition of Conscientiousness.

Pragmatic Humanism and democratic government (with free, representative, regular elections) are inseparable in a changing world, where human responsibility must be reinterpreted all the time. Democracy tests the will of the population as a whole which might be seen as the ultimate application of positivist falsification.

Why change the recommendation on the green economy from ET to ES?

A CO2 Tariff (ET) has been recommended by economists since Pigou [28], Norton was awarded the Nobel Prize 2018 [29] and recent studies confirm the effect of ET [30]. However, in an internationalized economy with free-trade, a national ET hurts the competitiveness by exporting national jobs to other countries blocking international collaboration on ET. A subsidy to alternatives to fossil energy has at least the same incentive to transition as an ET without loading national competitiveness. ES must be financed by taxpayers, however, an ET on companies/ institutions is, too, going to be turned-over on ordinary citizens. Further, testing of (7) ES is recommended.

Future research in "Pragmatic Humanism"

Sensitivity-training (1) needs independent testing! An important means to improve the dissemination of "Pragmatic Humanism" seems to be guest-lectures among behavioral economists, because the subject seems too complex for direct dissemination to the end-users, ordinary democratic citizens. A preliminary test done by guest-lectures at Niels Brock Business School in Copenhagen. Students and teachers replied to a simple Questionnaire, which confirmed the option of disseminating key points among peer behavioral economists.

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