

*Translation from “L’Essai sur l’oeconomie” by Pierre Calame, published at [Editions Charles-Léopold Mayer](#), Paris, 2009. Translated from French by Michael C. Behrent, reviewed by the author. All rights reserved.*

## **Part I: Putting Things into Perspective**

### **Conclusion: Defining Oeconomy’s Specifications**

Based on what has been previously said, we can now propose a definition of “oeconomy”:

“Oeconomy is a branch of governance. Its purpose is to create actors, institutional arrangements, processes, and rules that seek to organize the production, distribution, and use of goods and services in ways that ensure humanity a maximum degree of well-being through the optimal use of technical capacities and human creativity, while being unwaveringly concerned with preserving and enriching the biosphere and with conserving the interests, rights, and capacity to act of future generations, under conditions of responsibility and equity to which all can adhere.”

I propose to flesh out this definition in the second part of this book. Let me briefly comment on each phrase:

#### **1. Oeconomy Is a Branch of Governance**

Oeconomy belongs to the set of rules that societies create to ensure their survival, their fulfillment, and their cohesion. The basic principles of governance apply to it: oeconomy must be legitimate; it presumes responsible behavior; its rules must result from democratic decision-

making; it rests on partnerships between different kinds of actors; it requires a clear delineation of different management levels; and it acts on a territorial basis.

## **2. Oeconomy Organizes the Production, Distribution, and Use of Goods and Services**

From the standpoint of governance, oeconomy has no goals that are uniquely its own. It does, however, have its own field of action: the production, distribution, and use of goods and services. It must thus characterize these various goods and services according to their nature and purpose, and define the systems of governance that are suited to each.

## **3. To Do This, Oeconomy Creates Actors, Institutional Arrangements, Processes, and Rules**

The art of oeconomy lies in crafting institutional arrangements, i.e., the organization of actors (and relationships between actors) who will make optimal use of scientific and technological advances to combine the available production factors (or create new ones) in order to create a supply of goods and services and to ensure their distribution in keeping with a given society's goals.

## **4. In Ways That Ensure Humanity a Maximum Degree of Well-being**

Oeconomy's goal is not the relentless development of commercial goods and services, but well-being, which depends as much on the quantity of consumed goods and services as on

the modalities of their production and distribution, and on the circumstances in which the activities of producing, distributing, and using them place each member of the society.

## **5. While Being Unwaveringly Concerned with Preserving and Enriching the Biosphere**

The rule that human activities cannot consume more than the biosphere can reproduce imposes itself on oeconomy as an absolute constraint. Today this rule is not obeyed, and humanity must now urgently find a way to bring it back into compliance. Oeconomy's rules and mechanisms, such as currency and the price system, must without fail follow from this principle. The biosphere must not only be preserved in quantitative terms but enriched in qualitative terms. Production processes and the development of goods and services must be evaluated according to these criteria.

## **6. While Conserving the Interests, Rights, and Capacity to Act of Future Generations**

Oeconomy treats future generations as full legal subjects. Time is not fungible. The present, the medium term, and the long term are three distinct horizons. Oeconomy's rules place these three horizons on the same level.

## **7. Under Conditions of Responsibility and Equity to Which All Can Adhere**

Oeconomy's actors are personally responsible of the long-term impact of their choices, independently of their intentions. Their responsibility is proportionate to their power.

Oeconomy's rules must be deemed legitimate by all. They must reflect society's goals, be understandable and accepted, and be equitably implemented by trustworthy leaders.

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