

Interest. The opposite of benefit

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A guide to rereading the key words of economic behavior, after breaking down the myths and bursting a few bubbles. Luigino Bruni's "Dictionary" offers its eighth entry. The words already analyzed over the last few weeks include: Happiness, Profit, Market, Bank, Investment, Responsibility and Rules. This week Luigino Bruni concludes the reasoning, begun last week, about the word "Interest".

Interest is a word with an ambivalent meaning. In economy, it could refer to at least two different realities. The first meaning refers to money interest, as we explained last week.

Since the beginning of modernity, the lending with interest was prohibited and the main reason was philosophical and theological: the sterile nature of money. Then, thanks to the growth of commerce and the markets, towards the end of the Medieval Ages and when loans begin to be used for productive investments, it becomes morally licit to ask interest on the borrowed sum. This is then seen as a recompense for one's participation in the risk of an enterprise.

Then, there is a second meaning to the term interest, which goes back the motives of economical behavior. Normally, it's affirmed that one's economic actions are motivated by personal interests, which Adam Smith referred to as "self-interest" (translated as personal "benefit" in Italian). Near the end of the 18th century, Maffeo Pantaleoni, one of the best Italian economists, wrote the following: that which brings "street sweepers to sweep the streets, dressmakers to make a dress, tram conductors to offer 12-hour service, miners to go down into the mines, stockbrokers to carryout orders, millers to buy and sell grain, farmers to hoe the land, etc." is economic interest, and certainly not "honor, dignity, the spirit of sacrifice, the expectation of heavenly rewards, patriotism, love of neighbor, spirit of solidarity, imitation of ancestors and the good for one's posterity."

Even recognizing the realism of this great economist's thesis, we must also remember that many parts of the social and civil economy today (and yesterday) tell us that the search for "dignity", one's own and that of others, "love for neighbor" and "spirit of solidarity" can be motives even of economic actions, and even if not the only motives. An economic project lasts through time if, other than responding to general interests and the common good, it also responds to the interests and benefits of those who promote it and those who work for it. Personal interest and the common good, the personal dignity and that of others can and should coexist in a good society. A society begins to decline, even economically, when you begin to see opposition between individual and common interests. Today, in markets and in society, there is no need to be afraid of who has personal interests or of who goes after his own benefit when working in economy and finance.

The economy has the function of assuring people their own benefit, of putting them in the position to reach their interests: this is a worthy and noble function. Sure, an economy comprised of lone searchers of individual interests can't build a good society, but no society is possible if the

people don't express their interests, if they have no desires. Interest, in fact, can also be meant as: this activity "interests me", I am "interested" in this. The opposing or speculative term of interest is not primarily altruism or benevolence, but "disinterest", which is close to "apathy" and "indifference". Culture is also knowing how to redefine everyday words: we will get out of this crisis by learning to interpret interests as desires, and to view our interests with the interests of the others.

Next week in ABCDEconomy, the word "Organization"