

Squandering in Ethic Economics

(Consumer and Producer Behaviors Analysis)

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Abstract:

This paper investigates the effects of squandering on the economic behavior of consumer and firm. Commodity squandering creates no utility for consumer. Just the "(real) consumption (usage)" satisfies the preference ordering rules of consumer behavior and the "squandered" commodities do not satisfy these rules. Definitionally, consumption is equal to "real usage" plus "squandered" commodities. Thence, the consumer will lose some parts of her utility because of squandering (because of lost resources). The amount of lost income resources due to squandering should be recompensated by more works to preserve the consumer's welfare constant. In this paper, we analyze the consumer work-leisure behavior from the squandering viewpoint. In the second part of the paper, squandering in production is examined. Squandering effects in total productivity, non-optimal allocation of production factors, product wastage and product decay are analyzed as less productivity and less supply of products due to squandering. According to this analysis, it can be concluded that squandering will decrease the leisure and its corresponding utility of human being. Thus, if the ethic economics' doctrine affects the consumption pattern this process will be moved to a moderated consumption. Otherwise, the society will move toward exploiting all of her capital to: "just produce-just consume". The latter will be intensified by knowledge-based economic progress.

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