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MAPOF ECONOMICS UNDER YIN YANG THEORY

LIM Sau Kong

B. Eng. (Hons)

Address: No.32, PSRN Wira Jaya Timur 40, TMN Leow Yan Sip, 31350 Ipoh, Perak, Malaysia. https://orcid.org/0000-0002-6784-8407

E-mail: saukong@hotmail.com

Abstract

The article is the fourth of the series titled "Map of xxxx under Yin Yang Theory" [1]. The purpose of this article is to build the map of economics based on Yin Yang theory. Firstly, derives the most basic perspectives of economics from Yin Yang theory, then further extend the derived perspectives to get new perspectives in multiple levels with same logical manner. Economic activity defined as individuals within a human society exchange *producing labor force*. Thus emerge the perspectives of demand (Yang) and supply (Yin). The refinement of *producing labor force* is specialization & cooperation. Specialization & cooperationgave birth to fourfundamental branches of economic activity. These four branches represent the basic needs and quality of life of individuals within a human society. "Invisible hand" could be interpreted as economic activities are govern by natural law. Practice is the method to verify various doctrine of economics.

Keywords: Yin Yang, map of economics, invisible hand, govern by doing nothing that goes against nature, producing labor force

1. Introduction

The aim of this article is to build the map of economics based on Yin Yang theory. What is economic activity? Economic activity is defined as individuals within a human society exchange *producing labor force* to raise quality of life. From the exchange of *producing labor force*, emerges the perspectives of demand and supply. Barter is the most basic form of economic activity; from barter arises the concept of value.

exchange of producing labor force

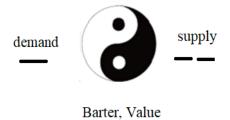


Figure 1. figure of Tai-Chi

2. Higher Level of the Economic Activity

The specialization & cooperation makes*producing labor force* diversified and catalyzes the advent of economic activities in higherlevel, which uses "money" as the medium of value measurement and trade. Money can be regarded as another form of *producing labor force*. The concepts of currency, assets, buy and sell, labor and capital by then derived from money and trade.

exchange of producing labor force

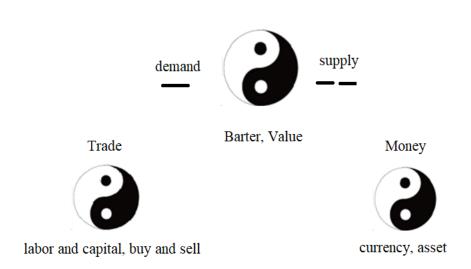


Figure 2. Overview of two levels of economic activity

3. Fundamental Branches of Economic Activity

The fundamental branches of economic activity correspond to the basic needs or quality of life required by human society; everyone should have the opportunity to participate in economic activities and enjoy the most basic quality of life. The four fundamental branches of economic activity in modern society are medicine, food, accommodation and transportation.

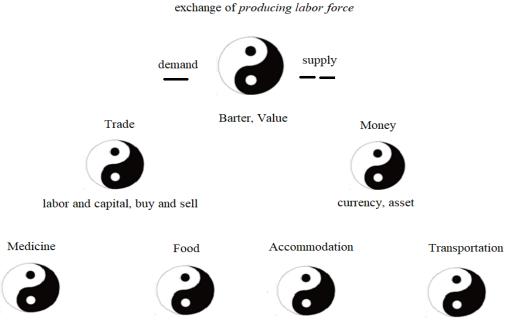


Figure 3. Overview of Fundamental Branches of Economic Activity

4. "The Invisible Hand" and "Govern by Doing Nothing that Goes Against Nature"

"The Invisible Hand" excerpted from Adam Smith's "The Wealth of Nations", which could be interpreted as economic activities are govern by naturallaw. "Govern by Doing Nothing that Goes Against Nature" excerpted from Laozi's "Tao De Jing". What is "Govern by Doing Nothing that Goes Against Nature"? It can be simply interpreted as the government should design a set of mechanisms for the purpose of moderately and appropriately intervenes the economic activities by complying to the laws of economic activities. The aim of intervention by government is to ensure everyone in the society have the opportunity to participate in economic activities and enjoy the most basic quality of life. (As analogue to the engineer follow the law of physics to build bridges.)

5. Capitalism, Socialism and Communism

How should we view capitalism, socialism and communism? Please take a look at Feynman's speech at the Danz lecture series "The Uncertainty of Value" [2]:

"——I was surprised because I don't understand the problem that way. I don't think of the problem as between socialism and capitalism but rather between suppression of ideas and free ideas. If it is that free ideas and socialism are better than communism, it will work its way through. And it will be better for everybody. And if capitalism is better than socialism, it will work its way through. ————"

ButDeng Xiaoping's phrase is even concise: "it doesn't matter whether a cat is black or white, as long as it catches mice."

6. Conclusion

Yin Yang theory has been used as foundation to obtain the map of physics, mathematics and Chinese medicine; then again, in same logical manner, Yin Yang theory is used in this article to obtain the map of economics. With this, confirms Lao Tzu's words: "The Dao produced One; One produced Two; Two produced Three; Three produced All things."

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[2] Richard P. Feynman, The meaning of it all, New York: Basic Book