

Unlike conventional economic wisdom, I argue that the Golden Rule, or the most efficient production, is best achieved at sustainable levels in an economy with higher levels of trust, fairness, cooperation, and moral sentiment, combined with the ability to identify and punish cheats or free-riders. Ultimately a more 'loving' or caring economy is the more prosperous one over time. Golden Rule levels of material welfare are often sparked, incentivized and reinforced by higher wages and more competitive product markets since we cannot rely on the good will of men and women and market forces alone to generate economic efficiency. Nor do market forces constrain bad people from doing bad things or encourage them to do good things. The world is not that simple. Indeed, narrowly selfish behaviour by key decision-makers can generate economically sustainable outcomes, but these would be socially sub-optimal. Rational individuals can generate a wide array of sustainable economic results, some of which are far removed from Golden Rule scenarios. Hence, one might end up with 'rational' inefficiencies. The market produces economic miracles only under specific institutional, psychological, and sociological conditions. I introduce some supporting experimental evidence to add empirical mortar to my analysis.