The Centre for Enterprise, Markets and Ethics

Theology and the Market Series

Understanding the Common Good

Edited by Revd Dr Richard Turnbull

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The Centre for Enterprise, Markets and Ethics

We are a think tank based in Oxford that seeks to promote an enterprise, market economy built on ethical foundations.

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Theology and the Market

Our Theology and the Market series is the more academic of our publications series.

Our aim is to explore the central role of the market economy built on ethical foundations. We want to encourage business professionals, church leaders, policy makers, academics and other interested groups to think deeply about the foundations of economic life. Our authors bring their intellectual and academic skills to this task.

Contributors are free to debate the intellectual arguments and express opinions. These views are not necessarily those of CEME, its Board or staff, but will we hope stimulate further discussion and reflection.

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Introduction

The idea of the common good slips off the tongue perhaps rather too easily. How could one not be in favour? It has a rich history within Catholic Social Teaching[1] and the terminology has been adopted by others, not least Anglican social thought. But the elusiveness of the concept remains.

In October 2016 the Centre for Enterprise, Markets and Ethics brought together six scholars at Campion Hall, Oxford, to open up this discussion. The contributors came from a range of theological traditions and, indeed, held differing perspectives on the common good.

Fr James Hanvey, the Master of Campion Hall, who was also our host, provided a masterly survey. Other contributors considered various aspects of the market, business and the civic economy. My own paper sought to reflect on the common good from a Protestant perspective.

I am deeply grateful to all the participants and presenters of papers. Although it has taken some time to gather and publish these essays, they represent a unique contribution to the debate around the common good and will we hope open up that debate and contribute to understanding of the concept.

After all, how could one not be in favour of the common good?

Revd Dr Richard Turnbull

1 The terms Catholic Social Thought and Catholic Social Teaching are used in this volume interchangeably except where specifically demanded by the context. Most often the abbreviation CST is used in either case. This reflects common usage, although it is acknowledged that Catholic Social Teaching can sometimes be used to reflect the formal teaching of the Church, and Catholic Social Thought the wider intellectual tradition.

Chapter 1

Dimensions of the Common Good

Fr James Hanvey SJ

The elusive 'common good'

Although the 'common good' is deployed in a number of different fields of discourse, its definition and meaning is often complex and elusive. To some extent this may be an advantage: we know that the common good is a 'good' and something we desire and aspire to, or ought to aspire to. Often it acts as a 'reminder' of the core values, perhaps even the ultimate values, we are seeking to realise in an organisation or a society. The common good is a central concept in Catholic Social Thought (CST), appearing over a wide range of magisterial teachings and theological reflections. Even so, one can have the sense that its use is more exhortatory than practical. As a placeholder for values and aspirations it certainly has a rhetorical service to offer, but if it does this only by gathering together a collection of recognised social goods, it can quickly be emptied of its significant critical and corrective function.[1]

The purpose of this chapter is not to resolve the question of elusiveness but to explore the way the common good is grounded in theology. I argue that grasping these theological dimensions does not restrict the way we may understand and deploy the idea of the common good in largely secular domains, but strengthens and preserves its radical nature. Without recognition of its theological character, there is a danger that under the pragmatic pressures of political and social circumstances, the common good may be dispersed into other achievable and measurable goods. Although these are all worthy in themselves, such a reduction can prevent the radical and transformative nature of the common good coming into play. To this extent, theology serves to preserve the genuinely radical nature of the common good: a permanently revisionary reality on the one hand, and a creative critical resource for social, political and social thinking and discourse on the other. Although these dimensions also pose their own problems in a secular and 'post-metaphysical' world, they can allow us to grasp that the common good points to the uniquely generative nature of the good itself.[2]

If I am correct about the importance of the theological dimension of the common good, then it stands at the centre of the much-vexed 'theological–political' question particularly identified in the work of Leo Strauss. I will argue that in understanding the question in terms of an opposition between philosophy (reason) and revelation, Strauss has fundamentally misconstrued the question – more a Protestant than a Catholic problem. Attention to the Catholic theological tradition of the common good exposes Strauss' position as creating a false antinomy, and provides avenues for reconceptualising the relationship between the domains of the 'sacred' and the 'secular'.

Between traditions

Enlightenment–Modernity: Part of the problematic nature of appealing to the common good lies in the way our understanding of the relation of the individual to society has changed. Contemporary Western culture since the Enlightenment tends to privilege the individual, grounded in a strong defence of personal autonomy expressed in freedom of choice.[3] For many politicians and social theorists, these assumptions are necessary to the very nature of democracy itself. When the common

good is construed in this context it will immediately come up against problems of meaning and execution. Generally it will be interpreted either in terms of the maximising of individual goods underpinned by a prudential utilitarianism, or be seen as creating the conditions for maximising individual choice. Government and community serve the purely instrumental purpose of securing and supporting the individual in the realisation of his or her freedoms. If there is an intrinsic good here it is reduced to a functional one in relation to the individual. Within this framework it becomes relatively easy to argue that the free market capitalist system is not only the most effective way of preserving the 'common good' but also the most effective mechanism for ensuring its distribution.[4] Of course, there are more refined ways of arguing this position and disguising the contradiction that runs through it: with such a strong emphasis on the individual as the ultimate subject of what is good, how can one give an effective and substantial account of what 'common' might mean, and so on?

Classical–Catholic: The other tradition draws from classical thinkers such as Aristotle and Cicero but is also informed by Catholic theological and social thought. Catholic thought not only takes up the classical tradition but also considerably develops and modifies it in the light of the gospel. In addition it also deepens its understanding of the common good in response to the new political and religious political and social circumstances arising from the post-Reformation realignments, the discovery of 'new worlds' in South America and the emergence of new commercial enterprises and structures in trade with India and Asia. This development continues, partly in response to the question of the individual rights and liberties that is central to the political and economic upheavals in eighteenth- and nineteenth-century Europe, and emerging philosophy of 'the state' that accompanies it.[5] While it resists the pull to a full-blooded communitarianism, with its attendant dangers of absolutising society, it also maintains the intrinsic value of a substantial 'common'. If there is a debate about whether society is prior to persons or vice versa, there is also a resistance to instrumentalising one in favour of the other.[6] At least in the Catholic version, this is grounded in an underlying theological anthropology that can incorporate and build on the Aristotelian notion that society or community is integral to a good life.[7] However, it adds a notion of solidarity as a value in its own right. By reading solidarity as an ethico-spiritual reality (i.e. the obligation to love one's neighbour, to seek his or her good), it opens up the reality of the common good as an interpersonal good that cannot be reduced to transactional or contractual goods.

Although it is possible to develop arguments for this way of approaching the common good independently of theological presuppositions, when these are employed I think the meaning and hence the potentiality of the common good is significantly changed. There are three aspects to this that capture the fundamental divide between a secular and a Christian vision of the human person and consequently of the sort of society each can – as well as may – imagine:

1. *The value and destiny of the human person*: in the great tradition of Christian thought, which finds its enduring articulation in Augustine, human beings are ordered ultimately to God and only in God can find their secure and lasting fulfilment: God is the ultimate good, the *summum bonum*.[8] Second, every person is more than the sum of their genes or psychology; each person has soul or a spiritual reality that is integral to their ultimate well-being, identity and self-expression. Any understanding of the common good must account for these two aspects of what it means to be a person.

2. *An integral humanism*: this version of the common good entails a holistic vision of the human person, which it makes explicit. The spiritual dimension is critical to it: on the one hand, it grounds human freedom as a transcendental reality possessing an ordered teleology beyond material and temporal existence. In effect this relativises the claims of the state, nation or community over the person; it becomes the principal source of each person's dignity and purpose; as it cannot be

conferred by the state it can neither be removed nor denied by it. On the other hand, by asserting a transcendental openness to oneself, others and the world, it prevents an instrumental reductionism of the person. In other words, a new perspective on the teleology of the common good is brought into view that not only secures its interpersonal relationality but also its dynamic horizontal (towards-the-other) and vertical (towards-'God') openness.[9] It also adds another dimension of transcendence that is often overlooked: an interior or inward transcendence or openness, which is also part of the common good when viewed in an integral anthropological context. This 'interiority' as a dimension of the common good means that it is not only sought in the social dimensions of human life but is realised personally as an inner or spiritual life.

The Garden of Eden by Thomas Cole

3. *The theological–political*: recognising the significance of these dimensions for a full and radical grasp of the common good brings us face to face with the theological–political problem that lies at the heart of the common good and is often avoided. Must we ultimately accept the common good as some sort of Trojan horse insinuating theological concepts – and substantially Christian ones at that! – into our secular political discourse? Is there a way of capturing these 'transcendental' dimensions without taking on all the theological and metaphysical commitments they entail? Would the notions of human dignity and human rights not ultimately secure the same ground, possessing a more universal appeal with less metaphysical investment? Can we have the common good at a bargain rate?

It is clear that whether we choose a secular or a theological version of the common good, there will be a commitment to both human dignity and human rights.[10] However, the former is not as 'metaphysically lite' as it appears; it too must entail significant teleological and ontological commitments if it is to ground the values of dignity and rights that it espouses as necessary to the human good. Without these foundations it is in danger of being built on the quicksands of geopolitical and intellectual systems that it is intended to secure. If assent is dependent on consent, then it is difficult to see how these concepts and the critical values they enshrine are not ultimately subjected to the same epistemological, political and cultural critiques as their theological counterparts.

To do any lasting work, the notions of both human dignity and human rights need to have the resources to withstand the relativising critiques, pragmatic variations of political and intellectual fashions as well as power structures.[11] For this reason the common good, indeed any lasting progressive good, needs to be grounded in reason *and* community. Without the latter it has no substantial place in praxis or in history. Without the former it remains only a contingent practice without any lasting claim on us. Here we encounter the 'incarnational principle': principles must have the capacity to form communities and cultures, which incarnate them; thereby they make active and sustain concrete values that shape personal and social history. Without these living traditions – learning and developing through reflection, critique, experimentation and practice – principles are always vulnerable to utility and the shifting currents of power. In other words, principles need to be part of the tradition that informs the life of a community in which they are realised in history. Without this extension of a society in time there can be no learning, because assessment can take place through time and experience.[12] If there is no instantiation in the tradition and life of the

community, at best all that principles and the values they represent can secure is a temporary living space. They cannot bring about the deeper transformations of understanding, imagination and possibility that societies need if they are to flourish. The 'secularisation' of the common good only transfers the problem; it does not solve it. Indeed, it may risk depriving it of the resources it needs.

Theology too is not without risks. It is in danger of secularisation when it forgets its source and abandons its community. This is the other side of the theological–political challenge of the common good. It challenges theology and uncovers its responsibilities. When theology becomes merely another discipline within the academy or takes refuge in fideistic pieties, or eclectic wellness practices for a nomadic and spiritually emaciated society, it ceases to be creative, losing its responsibility to the founding and generative truth of the community. It becomes a process of recycling the intellectual and cultural fashions of the time; seeking its own legitimation through the service it renders the culture by affirming its gnosticisms. In this respect Karl Barth was correct to summon theology back to its service of revelation. From a Catholic perspective too, theology can only serve revelation when it lives out of the faith and witness of the community; that is, the Church, 'from whom it receives its mission'.[13] It recognises that it can only be responsible to God and humanity when it is responsible first to the community that the Holy Spirit gathers and sustains.

Even from this compressed and general review of the different traditions of thinking about the common good, we can see quite distinct imaginative horizons emerging. Although we often encounter them with various articulations, variations and emphases, they produce significantly different understandings of the common good and the possibilities for action that may be generated from them. It is also clear that, at least within the Catholic tradition, the common good is not just an aspiration. It carries with it an active vision of the human person and society; it intends to be an immanent shaping horizon for judgement and action in bringing about the personal and social good it holds to be possible. The first 'good' is the seeking of the common good itself.

The common good in Catholic Social Thought

The most commonly cited definition of the common good is that given in Vatican II, *Gaudium et Spes*.[14] It reproduces the key features of the common good in *Pacem in Terris* and *Mater et Magistra*. There is a danger, especially in the summary conditions given in *Gaudium et Spes*, that the common good can be reduced to the elements that are part of its conditions: the minimal conditions for human life (e.g. food, clothing, shelter, education), human rights and attendant duties, the right to found a family, privacy, respect for personal conscience, private property and religious freedom. We should also note that for both Augustine and Aquinas, justice is also affirmed as an absolute condition.[15]

Although no particular political system is advocated for creating and sustaining these necessary goods, consistently the Church teaches that all government has as its goal the common good of all its people. As such the common good gives a moral dimension to government, which can act as a measure of its policies. In whose interests is it acting and whose interests is it serving?

All the treatments of the common good in CST recognise the essential mediating structure of civil society, which enshrines the personal and private space of people to conduct their family life, form associations, exercise freedom of religion and so on. The mediating structures of the mutually sustaining civil and personal domains become essential to any healthy social order. They protect against the dangers of collectivism and totalitarianism.

Particular elements – family, religion, economic and social justice, rights – form part of the complex understanding and reality of the common good. However, there are two other essential elements without which the common good would be neither recognised nor attainable, even if all the other elements were realised to some degree: the rights of the poor and the ultimate destiny of the human person. They stand in two distinct but related orders of thinking, but not in practice.

1: In the prophetic encyclical *Rerum Novarum*, generally recognised as inaugurating contemporary CST, primacy of place is given to the condition of *the poor*. Denial of their economic rights and opportunities, with all the attendant educational, health, social and political consequences, is understood as a form of violence and injustice to the poor. Their needs, together with the just and equitable amelioration of their condition, which cannot be achieved by philanthropic ventures alone but must entail real structural change, lie at the heart of the common good. In effect, there can be no genuine common good without the situation of the poor being recognised and effectively addressed. In the words of *Centesimus Annus*:

> But it will be necessary above all to abandon a mentality in which the poor – as individuals and as peoples – are considered a burden, as irksome intruders trying to consume what others have produced. The poor ask for the right to share in enjoying material goods and to make good use of their capacity for work, thus creating a world that is more just and prosperous for all. The advancement of the poor constitutes a great opportunity for the moral, cultural and even economic growth of all humanity.[16]

This begins to open up the more radical nature of the common good as a principle of critique by which policies and systems may be measured. It casts light on the power structures by which society is governed and shaped, and holds up the different interest groups for scrutiny. The common good requires that we commit to a participative good, one in which all peoples have a share; it requires us to examine those things that prevent this. Such a participative good is a genuine *habitus*, or characteristic, of critical action. It invites us to examine the biases and dysfunctions of systems – intended or unintended. It requires us to remove those obstacles to a participative good that lie in political and personal prejudices, assumptions and the histories of inclusion and exclusion that mark individual and cultural histories. To this extent the common good embodies a vision of a shared humanity, both personal and social, which precedes and takes priority over any political arrangement or regime.[17]

2: As we have noted, at the heart of the Catholic understanding of the common good is *a vision of the human person*. More than anything else, I think this is the distinguishing mark of a Catholic or Christian understanding of the common good. The important point is the recognition that the human person is both body and soul, what is regarded as the aspects of an 'integral humanism'. The spiritual dimension cannot be excluded if the common good is to realised: 'There cannot be holistic development and universal common good unless people's spiritual and moral welfare is taken into account, considered in their totality as body and soul.'[18]

This is something a purely secular definition of the common good cannot comprehend. Yet the common good must incorporate the spiritual, as well as the material and social, if it is to be a lasting human good. Naturally, this will find many different forms of expression beyond religious practice. What is at stake here is not just a defence of religion; it is the ultimate freedom of the human person in the totality of their existence, which possesses a history but cannot be reduced

to it. Hence the recognition of the spiritual nature of the human person is the bulwark against all forms of material reductionism that ultimately leave the person open to the instrumentalisation – biological as well as economic and social – of the state. It also presents an ontological resistance to nihilism. This is evident in the various post-Marxist and totalitarian attempts to eradicate the eternal by collapsing it into the immanence of history and historical process.[19] Whatever form this may take, it always risks making the state an absolute, positing it as the ultimate fulfilment of the human person while placing the person in subjection to it. When the person is robbed of their soul they are also robbed of their freedom and hence their agency in history. In this respect the common good not only has a concern with what positively promotes the human and social good; it is also directed at what may prevent or destroy it.[20]

The participative ontology of the common good

From this brief overview of the dimensions of the common good as developed in CST it is possible to see that it not only implies an anthropology but also an ontology – it is not 'metaphysically lite'. However, its ontology is not a matter of providing a conceptual structure; it is in the very expression of the common good itself.[21] As a genuine and 'attainable good', it always seeks to be realised (the incarnational principle), and hence there is a shaping reciprocity between concept and practice. It becomes a *habitus* of thought and action that is part of a continuous praxis of life (personal and social): it is ordered to the lasting good of the other (body and soul). It locates us in relation to others and requires us, therefore, to perceive things in terms of this relational epistemology (solidarity).[22]

The perspective of the subject as sovereign cannot attain the common good because, in principle, it limits the relationship of the other to one of subjection or instrumentalisation; it cannot admit, except for instrumental or pragmatic reasons, their claim on us. In turn this must result in an impoverished and distorted knowledge, the results of which become apparent in the decisions made on the basis of this knowledge and the good or desire of the sovereign subject alone. The common good requires that the individual good cannot be separated from the good of others, nor can it be reduced to the good of a majority of others. It cannot operate to exclude; it always aims to generate the opportunities and possibilities of inclusion.

This dynamic of inclusion and attention to the other is grounded in the recognition of existing deep intersubjective and structural relationalities integral to the socially constitutive nature of the person. It is also directed towards creating and developing new ones. These relationalities are not simply neutral. Integral to their recognition is the acceptance that the other – whether human life or natural life – makes a 'claim' on us. Without this we risk remaining within the realm of the sovereign subject. Notice, it is *their* claim, not one we allow or create. We may need to explore these claims and judge their nature, reasonableness and legitimacy, but the claim cannot be dismissed; it always remains. The common good gives expression to this relationality and to the claims, demands and responsibilities it entails. This too is the foundation of a correct understanding of subsidiarity, which has the good of the other, whether that 'other' is a person or a social or political structure (e.g. community or local government organisation), in view. Subsidiarity is misunderstood if it is conceived of as a delegated competence or capacity; rather it is the recognition and empowerment of an intrinsic competence or capacity possessed by the other and necessary for the execution and fulfilment of their purpose. The common good itself is one of the ways we recognise and accept this call on us. It changes the love of neighbour from a command to an integral reality and condition of human living.

In so far as it draws on a Christian understanding, the claim of the other goes beyond reciprocity. It enshrines and expresses an unconditioned gratuity that cannot be accounted for by any causal logic of our sociality. The claim remains and is accepted without requiring any return from the other. In this sense it requires us to think and act beyond the normal economy of exchange and mutuality.[23] Here we encounter the mystery of the human person in relation: that ever-present capacity to act beyond self-interest and, indeed, against self-interest – the capacity for compassion and love.

We now come to touch on the mystery of human freedom.[24] In some sense this very freedom is also a guarantor of a personal and social security, which carries the generative power of the good. It does not impose any conditions or contracts but has its own self-determined condition in the good of the other. As David Hollenbach observes, freedom is essentially a relational reality; freedom is always freedom in community.[25] The common good, therefore, enshrines the ontology of a participative solidarity, which is also the basis of human freedom.[26] Without this it would be difficult to understand how the common good has transformative agency.[27]

As well as shaping actions and policies, the common good presents a different hermeneutical and social epistemology. It requires us to think 'inclusively' as well as transcendentally. If we are committed to the common good, we cannot think or develop policies or devise structures about people or classes of people without also allowing them to participate in and shape that process: the common good is their good, and it must entail their active agency in it. Hence, for example, it will not be sufficient to produce solutions to the violence of poverty, or questions surrounding ethnic, class or caste discrimination without the experience and voice of these people being part of the process. Where the structures or capacities are lacking to allow this, the first requirement of the common good will be to create and develop them. Indeed, such inclusion of the other's truth is already an active part of the common good in so far as it begins to realise capacities that have been obstructed or occluded through exclusion or reduction by other power groups, by bureaucratic procedures or a scientific analysis erasing the human face of the problem. The common good is now recognised not only as a goal but also as an immanent reality in all relational procedures.

This draws our attention to another important feature: the relational ontology of the common good is a constitutive dimension in any search for peace, whether it is peace between individuals, communities or nations. It also includes an ecological peace: an end to the destructive exploitation and use of animal and natural resources, and a recognition of the spiritual, moral – as well as organic – relationalities that locate and sustain 'our common home'. If peace is not just an absence of conflict, neither is it only a reconciliation between 'enemies'; it needs to become a harmony of mutually generative relationships of the good. In theological terms this opens up the soteriological significance of the common good.

In subsequent writings the papal magisterium has continued to develop various features of the common good, thus expanding its anthropological and moral dimensions. If Paul VI brings out the nature of development as an aspect of the common good, John Paul II explores the anthropological and spiritual aspects. This is especially the case in the encyclical *Centesimus Annus*. Here the idea of development raised in *Populorum Progressio* is expanded into the recognition of capacities that also need to be developed. The common good is thought through in terms of an anthropology of capacity, developed out of the demands of justice, 'something due to man because he is man'.[28] The development of people's capacities is part of that participative ontology realised in an active solidarity that constitutes the common good and allows for a full membership of society. It also expands their capacity to contribute to the common good itself.[29]

Moral dimensions of the common good

We have noticed how commitment to the common good is as much moral commitment as it is conceptual, political and social. *Centesimus Annus* sets out the four principal moral features of the common good: self-control; personal sacrifice; solidarity; the promotion of the common good itself. It is helpful to see that behind the language of *Centesimus Annus* lies the virtue language of the classical common good tradition. In this way it is also possible to translate these moral features into cultural as well as personal virtues, such as self-control, which is part of a culture of sufficiency, and conservation rather than rapacious growth and the 'mining' of natural resources until they are exhausted.[30] Sacrifice not only creates a culture that makes room for the other, it cultivates generosity and gift and so on. In the light of Pope Francis' recent teaching in *Evangelii Gaudium* and *Laudato si'*, we may also add justice and an active compassion that moves us to transformative action, especially for the poor and marginalised in our societies, as well as for our suffering planet. In *Caritas in Veritate*, all these 'virtues' are fruits of the supreme virtue of love or caritas that is at the heart of the common good.[31]

But where are these 'virtues' to come from and what is to sustain them? For *Centesimus Annus*, even though it attempts to make these virtues an integral part of the phenomenology of what it is to be human, it clearly sees these moral aspects of the common good as sustained in some way only by grace. For all its morally indefensible lapses, nevertheless the Church is the community that holds out the treasure of the common good, intellectually as well as practically, as a possibility for human society, whatever its secular or religious creed. We should not forget that grace is made visible and mediated in the restorative and curative actions of people, organisations and nations. Grace itself is an incarnate and incarnational principle and is not without its examples and agents. These are not always explicitly Christian, 'for Christ plays in ten thousand places, Lovely in limbs, and lovely in eyes not his'.[32]

The common good and the theological–political problem

This chapter has sought to explore the theological foundations of the common good. I have suggested that far from immobilising common good in secular discourse it provides it with resources. Not only are these resources intellectual, they are also practical in the life and tradition of the Christian community. In both its reason and in its praxis, the Church in some way seeks to embody the common good, to incarnate it, so that it is a presence and force in history. In our sketch of the main dimensions of the Catholic understanding of the common good, we can see the mutual reflective and experiential interplay of reason and community at work.

The tradition draws on theological resources that add insight to the way reason engages with contemporary philosophic-political questions. The effect is to show that the gift of 'revelation', especially in the person of Christ, is not to make reason redundant or declare it invalid, but to keep before it the possibility of reason attaining its goal to know what is real and of lasting value as well as opening up new avenues of attaining that goal. Too often revelation is claimed as an alternative authority that can dismiss, negate or substitute for reason. Where this is the case there is a problem with our understanding of revelation that should be interrogated. God never dispenses with reason, but in the event of revelation, reason is given back as gift: it is opened up to the reality of all that is in essence, existence and history. It also comes to comprehend, in its very finitude, that which is beyond being, which it can never master but only serve and enjoy. It is given the possibility of becoming wisdom. In such a way reason is 'healed' of the illusion of its own omnipotence; it is reclaimed from becoming an 'instrumental reason' that leads to its own destruction in the nihilistic irrational.[33]

Leo Strauss identifies the relationship of philosophy (reason) versus revelation as *the* theological–political problem. He argues that it is the central problem of contemporary political philosophy and the recurring theme of his own work.[34] Life itself confronts us with the question of what constitutes the good life and what society is best for its creation, preservation and enjoyment. For Strauss, therefore, the persistent problem is to identity the sources of authority and value that allow us to decide this question and hence the shape of the society itself. The crisis of modernity lies not only in the 'forgetfulness' of the question but in the refusal even to admit it. At the core of this question also lies another: What is the origin of our freedom and in what does it consist? We must remember that, for Strauss, these are not merely academic questions. Even his close attention and exposition of the classical and modern texts of political theory takes place within his own experience of the rise of National Socialism in Germany and the attempted genocide of the Jewish people. Yet what is strange is the way Strauss conceptualises the problem. He places philosophy and revelation as antitheticals.[35] This represents an opposition set up by the Enlightenment and brought back with considerable intellectual energy in the early twentieth century by the dialectical movement of Protestant theology in its attempts to liberate theology from bourgeois liberal culture and restore its biblical foundation and content: *sola scriptura, sola gratia.*

Strauss is certainly no defender of the Enlightenment, but his reading of revelation draws more decidedly from the Reformation and dialectical theologians than from the tradition of Catholic thought.[36] His view of revelation and the obedience required by faith draws almost exclusively from the Protestant tradition, especially Calvin and Barth.[37] He seems hardly to deal with the Fathers and Catholic theo-political thought. From this perspective there are two things Strauss misses in his identification of the theological–political problem.

First, his strategy of returning to classical thinkers in search of a political philosophy that does not fall into the relativising trap of historicism can neither resolve the question of what grounds value nor present a solution to the problem of radical evil – unlike the Catholic *ressourcement* thinkers of the twentieth century, although his procedure is also designed to expose the assumptions of modernity. However, Strauss' return to ancient texts is itself subject to the problems of historicism, for texts cannot be abstracted from the circumstances of their writing.[38] Yet this contextualism need not lead to a vitiating historicism if it is also read in terms of a text's subsequent history – the way a text is generative of the discourse that it helps to establish and continues to inform; that is, a tradition. Only in relation to this community of discourse, which allows the voice of the text and its author still to be actively present and critically challenging, can the relativising effects of historicism be placed within the greater hermeneutic of the text's enduring value.

Second, as Kant saw, the problem of radical evil haunts the whole of the Enlightenment project and places a subversive question mark over the sovereignty of reason. It also lies at the heart of any political philosophy if it is to address the realities of history and the human condition. It cannot be resolved either by a theodicy or by a reduction to morality. In a sense, it is the real theological–political problem, as Augustine rightly perceived.[39] Strauss appears to have no answer to this question of radical evil, which lies at the centre of that problem.

Given that Christian revelation is mediated in history and through human beings, it too must face this question and the instability it always threatens. The cross and resurrection of Jesus Christ exposes the impossibility of a theodicy. In the 'foolishness of the cross' and in the person of the resurrected Christ, an immanent power within history but not subject to it, it confronts the problem of evil not with reason but with the event of God's self. This is something that reason could not have imagined or concluded from within itself. Both in the Jewish and Christian experience, it is God's fidelity that transcends human rationality yet constantly grounds humanity within history as the theatre of freedom, allowing history to be redeemed. In this way the Christian understanding

of revelation as the event of Christ is also a healing of reason – always subject to the destabilising and distorting effects of evil – for it secures the truth that is in God and is God's self. Rather than limiting reason, therefore, it frees it from illusion and shadow, *in lumine tuo videbimus lumen*.[40] It opens up an infinite horizon and invites an exploration of the new logic of divine mercy. Not only does this disclose the true dimensions of the common good in the divine life (God's redeeming solidarity with us), it also provides a performative source for its realisation. Ultimately the question of the good life is shown to be that life which is lived in love of the other. The practice of the common good is our 'no' to the abyss of evil that lies in the dark potentiality of human freedom.

In dealing with the way the theological–political problem shapes how we understand human freedom, Strauss does not grasp the Christian understanding of the interplay of grace and nature in our capacity to perceive the truth and the exercise of freedom. From this perspective, authority is not about the triumph of revelation over reason, God over human freedom, but of their mutual and inclusive relationship in search of the plenitude of life. Strauss demonstrates a reading of the story of the Fall in gnoseological terms, although he also extends this to the command to love God.[41] He appears to miss how the story so subtly exposes that obedience to the divine command is not a coercive act on God's part; rather it presupposes freedom and free consent.[42] Without this, obedience would be meaningless. What distinguishes the Judeo-Christian understanding of the relationship between God and humanity is precisely this relationship of freedom. It stands in an absolute contrast to the subjection demanded by other gods and the societies that create them. The whole continuous polemic in the Hebrew Scriptures against idols and idolatry is as much against political orders as it is against religious ones.

In the Judeo-Christian understanding, obedience is a freely given response to God, not out of servitude but grounded in honour due to God precisely as *this* God, the God who creates humanity with freedom; the living God who acts in history to liberate and save. Only if created free can humanity respond in righteousness and love and hence sanctify God's creation. From a Christian understanding, this relationship, lost by primal betrayal and alienation, is redeemed through Christ's obedience to the Father. Again, not an act of coercion or of fear but the loving free gift of the Son. The remarkable truth at the heart of Christian revelation is that God never instrumentalises the person or humanity. If, as the great *Shema Israel* asserts, what God desires from us is love, then God must protect human freedom, not deny or destroy it.

These insights are all part of the theological understanding of the common good. They also show us that its participative ontology has at its heart the action of a freely given love.[43] Once more its soteriological character comes to the fore. The life of the Christian community (but not exclusively Christian community), its struggles, tensions, disputes and failures, its learning as it searches for ever more effective ways of living the common good, are part of its enduring witness. Human agency is not diminished or lost in this interplay of grace and nature; rather it is deepened and more effectively ordered to the good.

The common good and the kingdom

Eschatology is the immanent future of the event of God's vindication of Christ already active in the present. In so far as it entails a new economy of relationship beyond utility and exchange, it gives expression to that participative ontology that can refound and shape social structures in justice and effective love. The practice of the common good is part of the immanent presence of the kingdom of God in which it participates.[44]

The kingdom radically destabilises earthly empires by calling into question the logic of their power. It reveals them to be transitory creations, ultimately incapable of attaining even the good that they

seek by their own genius and will. History itself stands as the tragic witness to the fragility and ultimate corruption of political structures so astutely analysed by Augustine in *The City of God*. For him, the root lay not only in the structures themselves but in the deep paradox of human nature itself, at once seeking the ultimate good but caught in so many illusions. Yet far from underlining the futility of the political, this Augustinian–Christian realism leads to a recognition that the possibility of a transformed world is not lost; it may draw from the inexhaustible stream of God's power. The kingdom is not about the subjection of human beings to a theocracy; rather it is a call to a full and creative self-aware freedom. As such it also necessitates vigilant critical *metanoia* in pursuit of the greater and lasting human good. In coming to recognise that only God can secure this good, it is not disabled but gains an enduring resource for the work it is called to do.

As the theological dimensions of the common good make clear, the creation of a better world for humanity is not doomed either to despair or to utopian illusion but lives in an attainable hope. It is a task that demands courage and patience.[45] Practically, this allows all our systems – economic, social, political, scientific, aesthetic and spiritual – to understand themselves not as ends but as means at the service of a fully human life. In terms of the structures that deliver these goods that serve the common good, there will be a contingency because they too are subject to change and historical process as well as to human weaknesses. Nevertheless, a memory or tradition develops in those very contingent structures and practices, which carries the dynamic of the common good and embeds it in the *habitus* of society and its way of living. Commitment to the common good thus becomes a commitment to another history: salvation history. As we have seen, it is part of a soteriology that embraces believers and non-believers and engages them in our common human task. This is why all commitment to the common good must in some way be a participation in the God who is the ultimate good, the *summum bonum*. All that is done and given to bring that good into the reality of lives is part of the sanctification of the world or, as the Jewish tradition expresses it, an act of *Tikkun olam*. Surely this is what gives Glory to God, whether it is a conscious act of faith or a committed effective love of humanity.

Conclusion

In exploring these theological dimensions of the Catholic understanding of the common good, we may begin to see how radical the concept and the practice are. Ultimately the common good is about that most ancient of questions: How should we live? What constitutes the good life? It refuses to let us think or behave as if this good life can be lived without reference and care to the lives of others. In so far as we make it a true praxis, grounded in theological reflection and the life of the Christian community, it has emancipatory and creative power. As Horkheimer and Adorno noted in the first essay of the *Dialectic*, 'a true praxis capable of overturning the status quo depends on theory's refusal to yield to the oblivion in which society allows thought to ossify.'[46] Therein lies the elusiveness and the power of the common good.

Notes

1 See Louis Dupré, 'The Common Good and the Open Society', *The Review of Politics* 55:4 (1993), pp. 687–712. Also David Hollenbach's still relevant review article, 'The Common Good Revisited', *Theological Studies* 50:1 (1989), pp. 70–94, as well as his *The Common Good and Christian Ethics* (Cambridge: Cambridge University Press, 2002). See Dennis P. McCann, 'The Common Good in Catholic Social Teaching: A Case Study in Modernization', in *In Search of the Common Good*, ed. Dennis P. McCann and Patrick D. Miller (London: T. & T. Clark, 2005) pp. 121–46, which traces the way the idea of the common good has been developed and deployed. Also Patrick Riordan, *A Grammar of the Common Good: Speaking of Globalization* (New York/London: Continuum, 2008). For a solid if conservative reading of the common

good tradition in Catholic thought that largely deals with the Magisterium, see J. Brian Benestad, *The Church, State, and Society: An Introduction to Catholic Social Doctrine* (Washington, DC: Catholic University of America Press, 2011).

2 Within the tradition 'the good' is causal because it is in the very nature of the good to be self-diffusive. Cf. Aquinas, ST1.5.4. I see this as an important feature of the common good in that it supports and generates other goods. The common good has a 'causal' or generative dimension and effect. This understanding of the self-diffusive nature of the good is given its full theological weight by Bonaventure in his understanding of the life of the Triune God in terms of diffusiveness; cf. Ilia Delio OSF, 'Bonaventure's Metaphysics of the Good', *Theological Studies* 60:2, 1999, pp. 228–46.

3 For a comprehensive exploration of the development of the idea of autonomy and its importance for modernity, see. J. B. Schneewind, *The Invention of Autonomy: A History of Modern Moral Philosophy* (Cambridge: Cambridge University Press, 1998).

4 In this chapter I shall not deal with the various attempts to interpret Catholic Social Thought as favouring a neo-liberal economic model as the best way of addressing the economic problems of poverty and securing the common good. Generally, CST avoids endorsing any particular economic model and, in the light of European history, gives a cautious endorsement to the democratic model of political order. However, the constant bias and emphasis of CST, from *Rerum Novarum* to the recent major exhortations and encyclicals of Pope Francis, is to defend the rights of the poor, to make their experience and needs the criteria by which the success or otherwise of economic systems should be judged, and to insist that economies are there to serve the needs of the people and not vice versa. *Caritas in Veritate* offers the most comprehensive catholic statement on the nature, structure and purpose of economic systems to date. It is certainly not an endorsement of the free market economy. For commentary on this aspect of Catholic economic thought, see Charles McDaniel, Jr, *God and Money: The Moral Challenge of Capitalism* (Lanham, MD: Rowman & Littlefield, 2007), which envisages a morally redemptive economy and covers Reinhold Niebuhr's economic realism, G. K. Chesterton's Distributism and John Paul II's Economic Personalism. For the background to the economic structures envisaged in *Caritas in Veritate*, see Luigino Bruni and Stefano Zamagni, *Civil Economy: Efficiency, Equity, Public Happiness* (Oxford: Peter Lang, 2007); Luigino Bruni and Stefano Zamagni, *Handbook on the Economics of Reciprocity and Social Enterprise* (Cheltenham; Northampton, MA: Edward Elgar, 2013); Stefano Zamagni, 'Reciprocity, Civil Economy, Common Good', in Margaret S. Archer and Pierpaolo Donati (eds), *Pursuing the Common Good: How Solidarity and Subsidiarity Can Work Together* (Vatican City: The Pontifical Academy of Social Sciences, 2008), pp. 467–502; Stefano Zamagni, 'Catholic Social Thought, Civil Economy and the Spirit of Capitalism', in Daniel Finn, *The True Wealth of Nations: Catholic Social Thought and Economic Life* (Oxford: Oxford University Press, 2010), pp. 63–94.

5 For an excellent study of this transition, see Emile Perreau-Saussine, *Catholicism and Democracy: An Essay in the History of Political Thought* (Princeton/Oxford: Princeton University Press, 2012).

6 See *In Search of a Universal Ethic: A New Look at Natural Law* (Rome: International Theological Commission, 2009), §§85–6, which argues for the priority of the individual. See also John Finnis, 'The Priority of Persons Revisited', *The American Journal of Jurisprudence* 58:1 (2013), pp. 45–62, which develops the significance of recognising the priority of persons. He also argues that persons are also shaped and constituted in and through their cultural heritage (family, community and nation). But see also Suárez, *De Legibus*, which has a much more nuanced view of the interrelationship of persons and society based on his view of the created solidarity of humanity. See Pedro Suñer, 'Teocentrism De Ley Natural', pp. xxxviii–lv, in the introductory studies to Francisco Suárez, *De Legibus*, Edición crítica bilingüe por Luciano Pereña (Madrid: Consejo Superior de Investigaciones Cientificas, Instituto Francisco de Vittoria, 1971).

7 In the influential work of Suárez it is argued that there is a natural unity prior to a political unity. For him, this also entails a movement towards the common good that is desired, and it is from this anticipation of the common good that political institutions will emerge. *De Legibus*, III, ch. II.4. As Louis Dupré puts it, 'By pursuing that common good, humans already achieve an organic unity even before constituting a political body' – 'The Common Good and the Open Society', *The Review of Politics* 55:4 (1993), p. 695. It is significant that Suárez grounds this prior 'solidarity' in the economy of God's creative act.

8 Both Augustine and Cicero recognise that a group of persons is not automatically 'a people' in the political sense. To be sure, there are associations of mutual interests and benefits, but if authority is to rest on more than the power to coerce, it has to have a moral legitimacy grounded in the exercise of justice and be exercised for the common good: 'If a commonwealth is the weal of people, and if there is no people save one bound together by the mutual recognition of rights, and if there are no rights where there is no justice, it follows beyond question that where there is no justice, there is no commonwealth' (*City of God*, Bk II, ch. 21).

9 It would also be possible to understand this vertical transcendence in non-theological terms as an existential openness to that which is greater or of absolute value.

10 See the appeals to human dignity, especially the dignity of workers, in *Rerum Novarum* and *Quadragesimo Anno*, where it is used as the basis of a justice that is owed to the human person. Also *Centesimus Annus*. See my essay 'Dignity, Person, and *Imago Trinitatis*', in Christopher McCrudden (ed.), *Understanding Human Dignity* (Oxford: Oxford University Press, 2013).

11 See Jack Mahoney, *The Challenge of Human Rights: Origin, Development and Significance* (London: Blackwell, 2007), pp. 144–50.

12 On the 'inductive' as well as 'deductive' nature of CST, see the still useful essay by Marie-Dominique Chenu, *La 'Doctrine Sociale' de L'Église comme Idéologie* (Paris: Les Éditions Du Cerf, 1979), esp. pp. 79–86.

13 See *Donum Veritatis: On the Ecclesial Vocation of the Theologian* (Rome: Congregation for the Doctrine of the Faith, 1990), esp. here §§9–10. See also Miroslav Volf's critique of the twin dangers of the 'functional reduction of faith', which hollows out the language of God from within, and 'Idolatric substitution', when the message occludes God – *A Public Faith: How the Followers of Christ Should Serve the Common Good* (Grand Rapids, MI: Brazos Press, 2011), pp. 10ff.

14 *Gaudium et Spes* §26; see also *Compendium of the Social Doctrine of the Church* (Rome: Pontifical Council for Justice and Peace, 2004), §§164–70.

15 Albino Barrea OP, drawing from Aquinas, usefully summarises 'five axioms' as the hallmark of the common good (which strangely do not include justice, which is central to both Augustine and Aquinas) as: 1) the orientation of the human person towards the transcendent; 2) the orientation of the human person towards other human persons; 3) the 'fundamental equality' of all human persons; 4) the end of the community as the perfection of its individual members; 5) the human person as a steward of the goods of the earth. See Barrea, 'The Common Good as Due Order and Due Proportion', in *Modern Catholic Social Documents and Political Economy* (Washington, DC: Georgetown University Press, 2001), pp. 291–300.

16 *Centesimus Annus* §28. This also illustrates the new hermeneutic that the common good brings about by changing the way classes of people and problems are perceived.

17 See also note 6 above. Since Vatican II, liberation theologies have brought this aspect more to the fore. They have also expanded the category beyond the economic poor to all those groups within society that are excluded from its benefits.

18 See *Caritas in Veritate* §76; also *Centesimus Annus* §29.

19 On the influential thought of the French Marxist-Hegelian philosopher Alexandre Kojève, who expresses the idea of the state as human fulfilment; on Kojève's abolition of eternity through 'radical immanence' as the ultimate notion of reconciliation with the world, which he develops from his reading of Hegel through Marx, see Emmanuel Patard, 'Remarks on the Strauss-Kojève Dialogue and its Presuppositions', in, *Modernity and What has Been Lost: Considerations on the Legacy of Leo Strauss*, ed. Pawel Armada and Arkadiusz Górnisiewicz (South Bend, IN: St Augustine's Press, 2011), pp. 111–23. See also the Strauss–Kojève correspondence in Leo Strauss, *On Tyranny*, ed. Victor Gourevitch and Michael S. Roth (Chicago: University of Chicago Press, 2013). If the Marxist-Hegelian left can see in human political and social systems the ultimate fulfilment of history, totalitarianism sees this in its own messianism.

20 *Gaudium et Spes* recognises that the commitment to the common good also entails our opposition to 'whatever is opposed to life' (§27).

21 I maintain here that this 'participative ontology', while it constitutes a formal element of the notion of the common good, is also part of its material realisation in the sense that it shapes understanding and hence behaviour such that it is productive of the common good and its material outcomes.

22 The writings of John Paul II represent the most extensive working-out of the notion of solidarity in conjunction with subsidiarity in papal teaching that has entered into the mainstream of CST.

23 This will also have a significance for how we design and evaluate economic systems and policies. Such an exploration is beyond the scope of the present chapter but it is sketched in *Caritas in Veritate*.

24 For an illuminating account of how 'freedom' changes meaning from the Fathers and Scholastics to the problematic 'freedom of indifference' that informs contemporary understandings of human freedom, see Servais Pinckaers OP, *The Sources of Christian Ethics. Part III: Freedom and Natural Law*, trans. Sr Mary Thomas Noble OP (Washington, DC: The Catholic University of America Press, 1995). Pinckaers' discussion, especially in his examination of the Thomistic understanding of freedom, is important because it is this tradition that shapes the catholic discourse and how freedom is understood in terms of the common good. It also permits us to see more clearly the need to clarify how freedom is understood and distinguished from modern treatments.

25 *The Common Good and Christian Ethics* (Cambridge: Cambridge University Press, 2002), p. 77.

26 Such a participative ontology is already outlined in *Rerum Novarum* §33, citing Aquinas: 'As the part and the whole are in a certain sense identical, so that which belongs to the whole in a sense belongs to the part.' The work of Robert Spaemann in *Happiness and Benevolence* provides an important exploration of this inter-subjectivity. Emmanuel Levinas offers one of the most significant and important contemporary analyses of the claim of the other upon me, what Levinas calls responsibility. He explores how this ontology also comes to express itself socially and politically in 'the third party' embodying the central question of justice (see *Otherwise than Being or Beyond Essence*, *Totality* and *Infinity and Humanism of the Other*). With obvious differences and drawing on a different tradition, Levinas provides resources for an exploration of the relational ontology that the common good requires. There are a number of central questions associated with the 'ontology' of the common good that I have not attempted to deal with here. They were already part of a lively debate in the medieval political thought: e.g. Does the ontology of the common good imply an ontological hierarchy? Is it a good in common or in the sense of what it is to be common, a universal or an integral whole? Does the individual or the community have priority? Is it essentially an expression of *caritas* or a social *remedium peccati*? Whatever position one takes on these often quite abstract debates will also have consequences for the sort of society and its purposes one believes possible. For an excellent examination of these questions in the medieval discussion that still shapes and echoes through the contemporary treatments, see M. S. Kempshall, *The Common Good in Late Medieval Political Thought* (Oxford: Clarendon Press, 1999).

27 Although I have not developed it in this chapter, an essential dimension to the participative ontology of the common good is the continuous insistence in CST of the 'universal destination of goods', which is of itself grounded in the solidarity of creation and the right of all life to enjoyment of this primary good. See references in *Centesimus Annus* §§31ff. and the various references to *Rerum Novarum*. However, also notice that *Centesimus Annus* develops the idea of private property and the use of goods in the service of the common good to the new technologies and IT knowledge. This becomes especially important in the concept of patents, especially of pharmaceutical products that are important for the eradication of disease.

28 *Centesimus Annus* §34.

29 See *Centesimus Annu*s §34; *Solicitudo Rei Socialis* §15.

30 See Lewis Mumford, *The City in History: Its Origins, Its Transformations, and Its Prospects* (Harmondsworth: Penguin, 1991), who speaks of the shift in the sixteenth century from the metaphor of gardening, as a way of describing our relationship to the world, to that of mining, with its image of exploiting resources until they are exhausted (p. 57). For a stimulating and insightful treatment of the common good and the urban environments we create, see T. J. Gorringe, *The Common Good and the Global Emergency: God and the Built Environment* (Cambridge: Cambridge University Press, 2011).

31 *Caritas in Veritate* §§5–7.

32 Gerard Manley Hopkins, 'As Kingfishers Catch Fire', in *Poems and Prose*, selected and edited W. H. Gardner (Harmondsworth: Penguin, 1953; repr. 1985), p. 51.

33 See Max Horkheimer's analysis of this process in *The Eclipse of Reason* (London: Continuum Press, 2004). Both Horkheimer and Adorno, especially in *Dialectic of Enlightenment*, offer powerful analytic tools into tracing the effects of instrumental reason in shaping political, social, economic, ecological and cultural forces that produce deep interior as well as exterior alienations. Although they would not accept the theological perspective offered here, their analysis remains a challenge to any attempt to account for the constructive, liberating or restorative power of the common good.

34 *Gesammelte Schriften*, vol. 3, ed. Heinrich Meier (Stuttgart: J. B. Metzler, 2001), p. 8. See also Meier's discussion of the centrality of the theological–political problem to Strauss' thought in Heinrich Meier, *Leo Strauss and the Theologico-Political Problem* (Cambridge: Cambridge University Press, 2006), pp. 3ff. An illuminating analysis of Strauss' project can

also be found in Thomas L. Pangle, *Leo Strauss: An Introduction to his Thought and Intellectual Legacy* (Baltimore, MD: Johns Hopkins University Press, 2006), esp. pp. 13–21.

35 The most direct analysis of this is found in an unpublished and incomplete lecture at the time of his death, 'Reason and Revelation' (1948), and published in Meier, *Leo Strauss and the Theologico-Political Problem*, pp. 141–80. See also *Natural Right and History*, Walgreen Foundation Lectures (Chicago: University of Chicago Press, 1953; repr. 1965), p. 75; and Spinoza's *Critique of Religion*, trans. Elsa M. Sinclair (New York: Schocken, 1965), p. 29.

36 For a critique of the Enlightenment and its modern consequences, see *Jewish Philosophy and the Crisis of Modernity: Essays and Lectures in Modern Jewish Thought*, ed. Kenneth Hart Green (Albany, NY: State University of New York Press, 1997), esp. pp. 99ff.

37 Strauss acknowledges the influence of Barth in his lecture 'The Living Issues of German Postwar Philosophy' (1940), in Meier, *Leo Strauss and the Theologico-Political Problem*, p. 128; see also the reference to Barth and Rosenzweig in his Preface to the German edition of *The Political Philosophy of Hobbes*, pp. 7–8, cited in Meier, *Leo Strauss and the Theologico-Political Problem*, p. 4.

38 See Corine Pulluchon, *Leo Strauss and the Crisis of Rationalism: Another Reason, Another Enlightenment*, trans. Robert Howse (Albany, NY: State University of New York Press, 2014), pp. 12ff.

39 Augustine accepts and develops Cicero's critique of the decline of the Republic as a loss of the virtue(s) of the common good, 'for it is through our vices, and not only by any mishap, that we retain only the name of a republic, and have long since lost the reality' – *City of God*, bk II, ch. 21.

40 Psalm 39.9, 'In your light we see light'. This becomes a recurring epistemological principle in all of the Fathers and Scholastics. See e.g. Aquinas' use in *Summa Theologica* I.12ff. and the analysis and discussion in A. N. Williams, *The Ground of Union: Deification in Aquinas and Palamas* (Oxford: Oxford University Press, 1999), pp. 44–9. It is part of their soteriological understanding of the truth. Contrast this with Strauss' reading in 'Reason and Revelation'.

41 See notes in his lecture on 'Reason and Revelation', in Meier, *Leo Strauss and the Theologico-Political Problem*, pp. 168ff. Also Meier's discussion (pp. 29ff.), while concerned with an exposition of Strauss argument, also seems to ignore Christian theology's sophisticated account of the interplay of grace and nature that is critical to the whole question.

42 That in creating, God bestows freedom; see Aquinas, *De.Ver.* Q24.1; *Summa Theologica* I. 83.4; *Summa Theologica* I.II.13.6. Suárez also argues that since God creates freely, freedom is in some sense implied in the divine law with respect to creatures – see *De Legibus*, II, ch. II.3.

43 See *Caritas in Veritate* and Pope Benedict's comments on it given at the Papal Audience on 8 July 2009: 'For this reason the entire social doctrine of the Church revolves around the principle *Caritas in Veritate*. Only with charity, illumined by reason and by faith, is it possible to achieve goals of development endowed with humane and humanizing values. Charity in truth "is the principle around which the Church's social doctrine turns, a principle that takes on practical form in the criteria that govern moral action"' – https://w2.vatican.va/content/benedict-xvi/en/audiences/2009/documents/hf_ben-xvi_aud_20090708.html.

44 For a succinct and balanced treatment of the Kingdom or Reign of God, see Gerhard Lohfink, *Jesus of Nazareth: What He Wanted, Who He Was*, trans. Linda M. Maloney (Collegeville, MN: Liturgical Press, 2012).

45 *Centesimus Annus* §38: 'Man receives from God his essential dignity and with it the capacity to transcend every social order so as to move towards truth and goodness. But he is also conditioned by the social structure in which he lives, by the education he has received and by his environment. These elements can either help or hinder his living in accordance with the truth. The decisions which create a human environment can give rise to specific structures of sin which impede the full realization of those who are in any way oppressed by them. To destroy such structures and replace them with more authentic forms of living in community is a task which demands courage and patience.'

46 Max Horkheimer and Theodor W. Adorno, *Dialectic of Enlightenment*, trans. Edmund Jephcott, ed. Gunselin Schmid Noerr (Stanford, CA: Stanford University Press, 2006), p. 33.

Chapter 2

A Protestant View of the Common Good

Revd Dr Richard Turnbull

> It is the indisputable teaching of St Paul that either with hand or brain every man ought to work for the public good.[1]

These words were spoken by the rather radical evangelical Methodist, Hugh Price Hughes (1847–1902), in a series of sermons published in 1890 as *Social Christianity*. This was, of course, in the immediate aftermath of the London Dock Strike of 1889 in which one Baptist minister, J. C. Carlile, not only addressed mass meetings of the South London dockers but also sat on the strike committee,[2] and Cardinal Manning was closely involved as a mediator. Two years after the strike, Pope Leo XIII issued *Rerum Novarum*, 'On the Rights and Duties of Capital and Labour'. In this seminal work Pope Leo noted that 'all citizens, without exception, can and ought to contribute to that common good in which individuals share so advantageously to themselves.'[3] Pope Leo added not only a framework of property rights and the priority of the family, but also rejected socialism and indeed any superficial attraction of equality per se. He argued that there:

> naturally exist among mankind manifold differences of the most important kind; people differ in capacity, skill, health, strength; and unequal fortune is a necessary result of unequal condition. Such unequality is far from being disadvantageous either to individuals or to the community.[4]

So the complexity of the problem is exposed. Is Hugh Price Hughes' 'public good' the same as Pope Leo's 'common good'? How does this concept relate to the socio-economic structure of society? Is there a history to the development of ideas of common good in the Protestant tradition that we can usefully compare to the ideas within Catholicism? The main evangelical contributor to the *Together for the Common Good* volume, Jonathan Chaplin, defined common good as 'all aspects of the public welfare of British society', linking the wider Christian revival of concern for the common good to a reaction to government austerity.[5] I am unsure what he really meant (the ongoing problems of definition), though he does helpfully refer to 'the central concerns of a social vision of what makes for a flourishing human social order according to God's design',[6] or what was distinctively Protestant or Evangelical, though his chapter seeks to describe the range of approaches to social welfare across evangelical traditions rather than establishing the building blocks. Common good and public good are rich and inclusive concepts, possibly more so than simply 'public welfare'. Nicholas Sagovsky and Peter McGrail, in *Together for the Common Good*, also acknowledge the problem of definition. In 1996 the Catholic Bishops' Conference of England and Wales issued a document entitled *The Common Good and the Catholic Church's Social Teaching*, which establishes some powerful motifs in Catholic thought and places the dignity of the human person at the heart of the theology. The common good in this document is defined as 'the whole network of social conditions which enable human individuals and groups to flourish and live a fully, genuinely human life'.[7] Perhaps, then, at least in general terms, it is possible to define common good; the questions of underlying meaning and the distinctive contributions of different traditions remain.

I do not wish to become overly distracted by the issues of definition. I rather wish to address a weakness, or at least a gap, in the material that has emerged to date. I have entitled this chapter 'A Protestant View of the Common Good'. The indefinite article is important. Those of us involved in academic explorations have long learnt the problem of the definite article: '*The* Protestant view of the common good' would unquestionably detain us in debate ad infinitum. We might not agree about the '*The*'! It would also, of course, be presumptuous. However, there seems to have been generally less exploration or serious work undertaken to establish the building blocks of 'a Protestant view' of the common good, and that is my objective: at least to contribute to such a process.

Catholicism, of course, has a long history of the discharge of social responsibility through the institutions of the Church, monasteries, schools, charitable institutions and so on. The Protestant reformers may have dissolved the Catholic institutions but they too understood the need for proper provision for the poor, vulnerable or victims of historic circumstance. In a sense this is why the second-generation reformers, at least, were forced to address questions of civil government. Both Luther and Calvin sought to make some institutional provision for welfare, in Luther's case through the 'community chest' and in Calvin's through the office of deacon as well as, in the case of Geneva, a social fund and the city hospital. In the eighteenth and nineteenth centuries we see Thomas Chalmers developing the voluntary principle in action in Glasgow, alongside a market economy, and then, with the Earl of Shaftesbury, a role for the state, not in place of but alongside the voluntary principle. To some degree at least, both views were challenged by the 'nonconformist conscience' of which Hughes was an example. We cannot deal with every aspect, but how are we to make sense of these complexities?

Calvin and the common good

Luther will need to be left for another occasion. However, to understand Calvin's view of common good we need to establish two principles: first, his view of natural order; second, his understanding of civic government and society. Calvin drew a distinction between the spiritual realm and the civil realm, but although separate they are not adversaries. Calvin does not fall into the trap of later Pietistic evangelicalism of ignoring the social order of the world because our true home is in the spiritual realm – a problem that has somewhat beset the evangelical tradition. Rather, for Calvin, God in his providence created order so as not to leave the human race 'in a state of confusion that they might live after the manner of beasts'.[8] Calvin thus recognises that we are not simply individuals but are part of a wider society, and that society needs social rules or laws:

> Since man is by nature a social animal, he is disposed, from natural instinct, to cherish and preserve society; and accordingly we see that the minds of all men have impressions of civil order and honesty. Hence it is that every individual understands how human societies must be regulated by laws, and also is able to comprehend the principles of those laws.[9]

Hence Calvin understands our essential social nature, that society is not just to be preserved (a negative reason for civil government) but also to be cherished (a positive reason). This same double purpose is seen in his commentary on Romans, where the purpose of civil government is seen as 'to provide for the tranquillity of the good and to restrain the waywardness of the wicked'.[10] Well, if tranquillity seems passive, then cherish is certainly more active and dynamic and may prove to be a very fruitful word for us. Luther viewed civil government only as a necessary evil; the radical reformers, of course, viewed government as an unnecessary evil; Calvin had a much more positive evaluation.

Calvin expands his thinking in Chapter 20 of Book IV of the *Institutes of the Christian Religion*, the last chapter of his work, where, alongside a role in maintaining doctrine and worship, he argues that the role of civil government is also 'to adapt our conduct to human society, to form our manners to civil justice, to conciliate us to each other, to cherish common peace and tranquillity'.[11] So here we are to cherish not just the absence of conflict between individuals but our 'common peace and tranquillity'. In addition we are to 'adapt' or 'adjust' our conduct to civil society and to conciliation. All of these things are potential elements of common good. Indeed, one might suggest they describe social justice. Calvin adds that if these things are taken away then we rob mankind of his humanity. So we also see there the dignity of the human person. And all of this is overlaid with a demand for justice, expounded in his sermon on Job and elsewhere.

Jean Calvin by Hans Holbein the Younger

What happened in practice? Well, for Calvin the ancient office of deacon was to be rescued – as he saw it – from the liturgical functions imposed on it in order to be an agent of social transformation, overseeing the provision of social welfare within and without the church. This was the voluntary principle in action. Work itself was endowed with moral purpose and dignity; the fruits of creation were to be enjoyed (Calvin had a cellar of fine wine, a fact I enjoy sharing with the Southern Baptists!); there was to be no begging; *and* laws were passed to ensure that social solidarity was achieved through the central management of funds for social welfare through the 'hospital' and the provision of public education – a rather rich mosaic. And for the good of the whole community (shall we say, the common good), money would now be lent at interest, in particular for investment and social purposes (rather than excess consumption), with rates ranging from 5% to 6.67% between 1541 and 1557, though with Calvin pressing for rates to be kept low. Usury, traditionally lending at interest, was now defined as lending at exorbitant rates. So the market was also to play its role in the common good, even if there were some pressures and tensions – over interest rates, for example.

Calvin clearly established elements of the common good, with an active subsidiarity in the voluntary principle but also solidarity in the management of civic welfare within the overall framework of the dignity of work and its fruits. Calvin's view of the common good, of government, of social justice rather belies the Weber thesis on the origins of capitalism; though that may have been the fault of Calvinism rather than Calvin himself.

Evangelicals and the Common Good

Let us now turn to later evangelical thinkers. How later evangelicals viewed any concept of common good depended in part – but only in part – on their relationship to the economics of Adam Smith. The publication in 1776 of *An Inquiry into the Nature and Causes of the Wealth of Nations* marked the origin of the modern investigation of the science of economics. The work has been described as 'the fountainhead of classical economics'.[12] Smith not only defined the essential concepts of a market economic model – value, price, cost and exchange – but also advocated a minimalist approach to government intervention in the workings of the market.[13] *The Wealth of Nations*, reflecting Smith's deism, saw a harmonious order in nature which, through the mechanisms of economic equilibrium, functioned for the common good. However, to appreciate Smith we need more than *Wealth of Nations*. In his *Theory of Moral Sentiments* (1759), Smith saw humanity as

composed of three sets of motives: self-love and sympathy; freedom and propriety; and labour and exchange. All of these elements can be seen as contributing to the common good. The effect of the economic mechanism, according to Smith, is to bring about not only the satisfaction of others but indeed the welfare of all, by each serving their own interests. In this way, so it was argued, a greater public good is achieved. In addition, principles of natural compassion are implanted in man, 'which interest him in the welfare of others and make their happiness necessary to him'.[14] So whatever else we may think, we should be careful not to caricature Adam Smith.

Thomas Chalmers (1780–1847) is the evangelical through whom Smithian economics most obviously travelled and in whom we can see some distinctive elements of common good.[15] There is both continuity and discontinuity with Calvin. For Chalmers, the paradox in the classical model between the pursuit of self-interest on the part of individuals and the overall achievement of the public good could only be explained by the providential design of those laws of economics that brought this about.

In the second volume of his *Natural Theology*, Chalmers considered in detail how the natural order affected both the economic and political well-being of society. There was, he asserted, a natural law of property. In addition to that he appealed to the law of self-preservation (i.e. individuals acting in their own interests), which led to both industry and what he termed the law of relative affection. In other words, we are back to the paradox of self-interest leading to the common good. The law of relative affection followed Smith's theory of moral sentiments in maintaining that a natural seed was implanted in humanity that gave the individual compassion for the distress and destitution of others. So Chalmers argued that 'the philosophy of free trade is grounded on the principle, that society is most enriched or best served, when commerce is left to its own spontaneous evolutions', and that the 'greatest economic good – or, in other words, a more prosperous result is obtained by the spontaneous play and busy competition of a thousand wills, each bent on the prosecution of its own selfishness'. It is, he said, 'when each man is left to seek with concentrated and exclusive aim, his own individual benefit – it is then, that markets are best supplied'.[16]

So the 'invisible hand', in Chalmers' view, was clearly that of the Almighty Himself. As Chalmers said, this 'strongly bespeaks a higher agent, by whose transcendental wisdom it is that all is made to conspire so harmoniously and to terminate so beneficially'.[17] Thus Chalmers invests Smith's model with divinity; both as origin (first cause) and consequence (cannot be gainsaid).

However, two particular problems arose from the classical model and its adoption by evangelicals, namely the impact of sin and the possibility of inequality. In economic terms this led to disequilibrium; in Christian terms to poverty and suffering. How in this instance, then, was the common good to be preserved?

The answer for Chalmers, through the law of relative affection (or Smith's moral sentiments), lay in the voluntary principle, which involved both the rejection of state intervention and the development of voluntary organisations, which in turn provided an appropriate setting for the exercise of philanthropy.

For Chalmers, government intervention was not only unnecessary but also arrogant, as it sought to usurp the Creator from his rightful position. In addition, any extensive role for the state had the effect of taking over those things that truly belonged in the heart – the moral sentiments. Chalmers argued that 'we cannot translate beneficence into the statute-book of law, without expunging it from the statute-book of the heart.'[18] Edward Copleston, articulating the voluntary principle in his own words, suggested that 'an action to be virtuous must be voluntary.'[19] Compulsion, said Chalmers, would lead to the 'extinction of goodwill in the hearts of the affluent and of gratitude

in the hearts of the poor'.[20] Of course, that latter viewpoint reflects the paternalism of the age. Chalmers' experiments with the voluntary principle in the St John's district of Glasgow sought to emulate Calvin. Deacons were appointed to districts; there was order, organisation, relationships and regular assessment of local needs. How successful the experiment was is contested.

How are we to assess Chalmers? Positively he understood the human person not as a depository of 'rights' but as an individual with a will, a conscience; indeed, a moral personality. Concepts of the common good must not extinguish individual humanity. The intervention of the state had led to duties being replaced by rights, to dependency rather than freedom. However, in Chalmers, *any* role for government or the state was minimalist and viewed highly negatively.

The continuities, then, with Calvin are around the voluntary principle; the discontinuities are that Calvin had a more articulated view of civil government. To what extent is government interference required to achieve the common good? Later evangelicals such as Lord Shaftesbury held a positive, albeit limited view of civic government (protecting the vulnerable) alongside the voluntary principle (education, social welfare). Many British evangelicals in the modern era have adopted a more state-redistributive approach to common good. There is further debate to be had but we must not make a simplistic equation of common good and state provision. The issue is the extent to which 'common' in common good can be equated with the state, or as we will see, more helpfully, with society.

Abraham Kuyper and the common good

Perhaps understanding at least *this* Protestant approach to common good can be helped by Abraham Kuyper's (1837–1920) ideas of 'sphere sovereignty'. Irving Hexham suggests that both the evangelical 'right' and evangelical 'left' claim to be the authentic heirs to Kuyper's thought.[21] His Lectures on Calvinism – originally the Stone Lectures, given at Princeton in 1898 – are among his significant writings on the subject in English. For Kuyper, Calvinism – though he is quoting an earlier American historian here – is 'a theory of ontology, of ethics, of social happiness, and of human liberty, all derived from God'.[22] Kuyper defines three spheres: the state, society and the Church. In discussing the common good we will concentrate on the first two. He regards the state as a consequence of the fall and hence its prime reason for existence is the negative reason given by Calvin; that is, the restraint of sin. So, Kuyper argues, 'God has instituted magistrates, by reason of sin.'[23] The second sphere is society, composed of many different elements, from the arts to business to the family. Each of these elements has 'sovereignty in the individual social spheres and these different developments of social life have nothing above themselves but God, and the state cannot intrude here'.[24] Kuyper argues that this represents a middle way between statism and anarchy, and here seems closer to Chalmers than to Calvin. Society is organic, government is mechanistic, according to Kuyper. The role of the state is to avoid social conflict (by each sphere maintaining its own sovereignty), to defend the weak and maintain the overall unity of society.

Thus Kuyper displays some ambiguity in discussion of the state and society. Although his rationale for the state is primarily negative, he does seem to allow for some more positive view of the state in a fallen world, but does not develop it. Common good is primarily the responsibility of the sphere of society but the role of the state cannot be excluded; it is, however, limited.

Conclusions

In conclusion we will compare the three examples we have considered. First, the commonalities and continuities. The most significant of these is the voluntary principle operating in an organic society of duties and responsibilities rather than rights. Society, family, intermediate institutions

all have a significant role to play in maintaining the common good. This, of course, clearly fits with the principle of subsidiarity. There would be a great deal of wariness from our interlocutors about anything that diminished the role of the voluntary principle. Perhaps the relative rise of the role of the state and some confusion between the state and society has meant that this dynamic has become somewhat shrouded in mist. The discontinuity between our representative voices is perhaps this tension between positive and negative roles for the state and the relationship of the state and society. Calvin clearly articulated a positive role for the state; civil justice, conciliation, cherishing are all positive concepts in Calvin's view of civic society, a vision that does encompass social justice and plays into the common good. In Chalmers, the state seems only to be a place of last resort. Kuyper's sphere sovereignty helps us in that it at least seeks to hold each sphere to its own sovereign role, and is certainly a protection against an *excessive* role for the state. However, the interaction of state and society is less clear. So what is a Protestant view of the common good? Perhaps one in which there is a strong view of *society* but nevertheless a well-articulated view of the role of *civil government* – in positive and negative senses. Perhaps one also shaped by the *voluntary* principle, the idea of divine sovereignty over all of society – a society in which both work and the human person are dignified; in which the bonds of that society can be cherished, but avoiding the absolutism of the state. As ever, Calvin has proved somewhat more helpful than his later disciples. As William Johnson has said: 'he chose to bring his major theological work to a climax with reflections *not* on the world to come but on our political responsibility for this world.'[25]

Notes

1 Hugh Price Hughes, *Social Christianity: Sermons Delivered in St. James's Hall, London* (London: Hodder & Stoughton, 1890), p. 263.

2 D. W. Bebbington, *The Nonconformist Conscience: Chapel and Politics, 1870–1914* (London: Allen & Unwin, 1982), p. 54.

3 *Rerum Novarum* §34.

4 *Rerum Novarum* §17.

5 Jonathan Chaplin, 'Evangelicalism and the Language(s) of the Common Good', in Nicholas Sagovsky and Peter McGrail, *Together for the Common Good: Towards a National Conversation* (London: SCM Press, 2015), p. 91.

6 Sagovsky and McGrail, *Together for the Common Good*, p. 105.

7 Catholic Bishops' Conference of England and Wales, 1996, *The Common Good and the Catholic Church's Social Teaching*, §48.

8 Calvin, Commentary on 1 Peter 2.13, quoted in William R. Stevenson, Jr, 'Calvin and Political Issues', in Donald K. McKim (ed.), *The Cambridge Companion to John Calvin* (Cambridge: Cambridge University Press, 2004), p. 174.

9 Calvin, *Institutes* II.12.13.

10 Calvin, Commentary on Romans 13.3, quoted in Stevenson, 'Calvin and Political Issues', p. 174.

11 Calvin, *Institutes* IV.20.2.

12 B. A. Corry, *Money, Saving and Investment in English Economics 1800–1850* (London: Macmillan, 1962), p. 1.

13 E. L. Paul, *Moral Revolution and Economic Science: The Demise of Laissez-faire in Nineteenth-Century British Political Economy* (Westport, CT/London: Greenwood Press, 1979), p. 5.

14 Paul, *Moral Revolution*, p. 11.

15 Boyd Hilton, *The Age of Atonement: The Influence of Evangelicalism on Social and Economic Thought, 1785–1865* (Oxford: Clarendon Press, 1988), p. 88.

16 Chalmers, *Natural Theology*, volume 2.4.4.6, in *Works*, volume 2, pp. 136–7.

17 Chalmers, *Natural Theology*, p. 137.

18 Chalmers, *Natural Theology*, p. 128.

19 A. M. C. Waterman, 'The Ideological Alliance of Political Economy and Christian Theology, 1798–1833', *The Journal of Ecclesiastical History* 34:2 (1983), pp. 231–44.

20 Chalmers, *Natural Theology*, p. 130.

21 Irving Hexham, 'Christian Politics According to Abraham Kuyper', *Crux* 19:1 (1983), pp. 2–7.

22 Abraham Kuyper, *Lectures on Calvinism* (Grand Rapids, MI: Eerdmans, 1931), p. 15, quoting the historian George Bancroft.

23 Kuyper, *Lectures on Calvinism*, p. 81.

24 Kuyper, *Lectures on Calvinism*, p. 91.

25 William Stacy Johnson, *John Calvin, Reformer for the 21st Century* (Louisville, KY: Westminster John Knox Press, 2009), p. 109.

Chapter 3

In Business for the Common Good

Fr Patrick Riordan SJ

There are three sections to this chapter. The first summarises philosophical work I've done on the topic of common goods, the second finds parallels to this work in Catholic Social Thought, and the third applies these resources to clarify what it can mean for business to be for the common good.

I Drawing on Aristotle

In my philosophical writing on common goods I have relied on the notion of heuristic to defend Aristotle's political ideas against the very modern challenge that politics cannot be for a common good.[1] Aristotle claims that as all action is for a good, so all cooperation is for a good in common; and that the highest form of cooperation is for the highest common good. He understood the highest form of cooperation to be political; that is, the collaboration of citizens in caring for the quality of their characters and the quality of their life together in a city such as Athens.[2]

There are various reasons why it doesn't make sense to speak of our political entities, such as the UK or the EU, as aiming at a common good. One obvious reason is that conflict is a central part of our experience of politics, and the activity of politics is the attempt to find conciliation between opposed interests. The political way of managing conflict is to negotiate a settlement, finding a compromise that allows all participants the possibility of being satisfied by the arrangement. No settlement is final; there is always the possibility of revisiting the deals as new situations require. Another reason for scepticism about Aristotle's view of the good is his teleology. This is the idea that there is a pre-given *telos* for human persons and for human communities, commensurate with human nature. Our contemporary commitment to the values of individual freedom makes us uncomfortable with the idea that people's goods are prescribed to them by their nature. That seems to deny the real freedom people have in choosing their life-goals.

Both challenges can be turned by relying on the idea of heuristic to understand common good. A heuristic device is an aid to discovery. It is like the 'x' in algebra, which allows us to name that which is to be discovered, even though we don't yet know what it is. The assumption is that there is a process of learning grounded in some context in which some things are known and in which meaningful questions can be formulated. The questions point beyond what is already known towards what is yet to be discovered. A heuristic names an unknown in the sense of yet-to-be-discovered, but it is not completely unknown. Some things are known about it and, indeed, enough is known about it to enable us to rule out unsatisfactory candidates as answers to the question.

The two main objections to Aristotle can be overcome with use of the idea of heuristic. With regard to human nature and the teleological understanding of what would constitute human fulfilment, we can deny that naming human nature or the human *telos* commits us to a particular understanding of that nature or that *telos*. This was the hubris of the past in giving the impression that those who spoke of human nature were already in possession of an adequate comprehension of that nature. The other objection noted the prevalence of conflict in our political affairs, and this motivated the

denial of a common good. But if our politics is orientated to managing our conflicts in a certain way, then there is a dynamism pointed in a direction, and while we are a long way from the end goal of that dynamism, we can name it as the comprehensive set of solutions to our conflicts. The common good of political life is a heuristic device identifying something we hope to discover but do not yet know.

The things we do know allow us to formulate criteria we can apply in testing possible solutions. I propose two criteria reconstructing those Aristotle himself uses in evaluating different forms of constitution. If the *telos* is to be a *common* good, then it could only be such if it does not systematically exclude any individual or any group of persons from a fair share in the good for the sake of which we cooperate. This is the first criterion, modelled on Aristotle's concern that rule be for the good of all, not merely for the good of the rulers, whether one, few or many. And if the *telos* is to be a common *good*, then it could only be such if it does not systematically exclude or denigrate any genuine dimension of the human good. This second criterion is modelled on Aristotle's evaluation of different constitutions in terms of their conceptions of human good, whether expansive or constricted. He relied on the phrase 'always more than' to identify the conception of the human good that would be satisfactory and comprehensive; it would be always more than a mutual guarantee of rights, or a set of non-aggression pacts, or treaties to exchange goods and services. Pointing beyond has the aura of a heuristic about it, and even the attempts to spell out the contents of the good – the good life as more than life itself, noble actions, excellence in the performance of distinctive human activities such as friendship and justice – leave more unsaid than they actually manage to say.

So much, in brief, for the work I've done on the philosophy of common good. I now suggest that treatment of the common good in CST parallels these ideas of the heuristic and the related criteria.

II Parallels in Catholic Social Thought

The criteria map very neatly on to the articulation by Pope Paul VI of what is involved in the pursuit of the common good: 'the integral development of every person, and of the whole person'. His encyclical *Populorum Progressio*, 'On the Development of Peoples', at the end of the 1960s was echoed 20 years later by Pope John Paul II in *Sollicitudo Rei Socialis* (On Social Concern), in 1987, and 40 years later by Pope Benedict XVI in *Caritas in Veritate* (Charity in Truth), in 2009. The fulfilment of every person – that is the first criterion, that no one be excluded. The integral fulfilment of the whole person – that is the second criterion, that no dimension of human well-being be systematically excluded from our shared concerns in social collaboration. These criteria find other articulations also in CST, as for instance when the focus is on the groups most likely to be excluded, namely the poor and the marginalised, and so the church authorities express their concern in terms of a preferential option for the poor. Pope Francis's letter on 'Care for our Common Home', *Laudato si'*, is one example of the use of the second criterion, as dimensions of well-being are in danger of being neglected in the context of the challenges of climate change.

Also in the literature of CST we find the notion of heuristic implicit in the formulations used for speaking of the ultimate goals of human life. The term 'integral fulfilment' is used but never exhaustively defined. As with Aristotle, it is said to be always more than material sufficiency, or the absence of war. But the heuristic nature of the notion of fulfilment is acknowledged in a significant shift in the specification of the meaning of common good made first of all by Pope John XXIII in his 1961 encyclical *Mater et Magistra* (Mother and Teacher) and subsequently in the Second Vatican Council's Pastoral Constitution in 1966. The common good in the realms of the

social, economic and political is spoken of not as ultimate *telos* but as the set of conditions that will enable individuals and groups to achieve their fulfilment. Especially in *Gaudium et Spes* (Joy and Hope), the aspiration is to find, via dialogue, bases of collaboration between people with differing views of that ultimate fulfilment, which will enable them to work together to build a better world. The Council hoped to find agreement on what conditions needed to be met if people were to achieve their fulfilment, however understood.

The Cattle Market by James Bateman

III Business among the conditions for flourishing

Among the conditions for flourishing, the economy has a fundamental place; and business is a central element in the economy. This is the perspective from which I want to reflect on business and the common good: how business can, does and should contribute to providing the conditions that allow individuals and groups to flourish. My title 'In Business for the Common Good' may strike some as odd.[3] No one engaged in business would spontaneously say of themselves that they are in business for the common good, even if it might be true of them, in some sense. Without wanting to offer a tight definition, I take business to mean the production of goods and services and trading with these in a market and thereby earning a living. A business that over time fails to generate a profit cannot survive, because it does not make a living. I resist the accountant's view of business, which focuses on the bottom line as the defining feature of business: the pursuit of profit or the maximisation of shareholder value. The goods and services are the purpose of business. To the extent that these satisfy need or demand, and contribute to the practical projects of individuals and other firms, it can be acknowledged that business contributes to the conditions for the flourishing of individuals and groups. This might be one line of reflection worth pursuing, and I have done it elsewhere.[4] Today I want to reflect on a different matter. What must the circumstances for the doing of business be like, for business to serve the common good; that is, contribute to the conditions that enable men and women and their associations and groups to flourish?

Whenever I ask my students to identify the opposite of 'competition', invariably they offer 'cooperation'. I point out that all forms of competition, including sports, require a lot of cooperation. Any competition we know of will require structures in which the rules are set and the conditions for participating and the criteria of success are determined, and these have to be accepted and agreed by the participants, the opponents, who are in competition with one another. The competitors must cooperate if they are to compete.

So cooperation is definitely not the opposite of competition. The answer I expect and would hope they'd know is 'monopoly'. Competition in the economy is what we rely on to ensure efficiency. It is at the heart of the argument first formulated by Adam Smith about the reasons why we can rely on markets to produce benefits for all.[5] He wondered how the activities of many different people operating independently of one another somehow result in a coordinated order that was

not planned by anybody but appeared as if it were. He explained the spontaneous order in terms of competition: each provider of goods and services must ensure they are delivering quality product at appropriate prices, because if they don't, their customers will go to their competitors. It is often asserted that Smith claimed that the market can be relied upon to produce benefit for all. That is a distortion of his view. He only made the claim for competitive markets, not for any market. And what is more, he did not assume that all markets would naturally be competitive. On the contrary, he warned against the tendency of all merchants to create cartels, forming alliances with those who should be their competitors, so that they can find ways of 'fleecing the populace'.

'People of the same trade seldom meet together, even for merriment and diversion, but the conversation ends in a conspiracy against the publick, or in some contrivance to raise prices.'[6] The market only functions beneficially so long as there is competition, so monopolising tendencies such as arise with the creation of cartels are a real threat to the public interest. He writes of the merchants as a group 'whose interest is never exactly the same with that of the publick, who have generally an interest to deceive and even to oppress the publick, and who accordingly have, upon many occasions, both deceived and oppressed it'.[7] They have succeeded in doing this by influencing legislators to enact regulations of trade that secure their monopolies. The enforcement of competition is one major reason why regulation of markets is warranted.

The tendency towards monopoly, the interest of the merchants in increasing their own rewards from the market, must be resisted. So Smith argued that the public authorities must take steps to oblige the merchants to compete. Far from Adam Smith being a defender of unregulated markets, as is often asserted, he took the view that regulation was essential to oblige the merchants to compete with one another. Competition always presupposes and requires cooperation. In the case of markets, it requires not only the kind of cooperation that generates the conventions of weights and measures, currencies and times and places for buying and selling, but also the cooperation with the regulations designed to ensure fair competition by blocking the tendency towards monopoly.

No doubt there can be problems with regulation of markets, especially with unintended consequences. Let us take as an example the issue of intellectual property. Why would a society choose to treat as a private good something that is essentially public? Like public goods such as street lighting, knowledge once it is available is non-exclusionary: one cannot exclude some people from knowing what is available to everyone to know. And it is non-rivalrous: additional people can be added to the sharing community without any reduction in the share of those already included. However, while one cannot exclude people from knowledge, one can exclude them from commercially exploiting the knowledge. It is argued that the generation of knowledge has its costs, and entrepreneurs will not be willing to invest in the necessary research unless they have an assurance that they can recoup their costs with the guarantee of a monopoly. This argument has been made particularly on behalf of the pharmaceutical industry: since – it is claimed – new medicines require costly research that doesn't always pay off, the firms need to know they can recover their investment and make a profit when developing new drugs. Patents are the instrument devised to secure this, which seems like a warranted exception to the rule that markets must be kept competitive to be efficient – an exception because patents create monopolies, and monopolies are inefficient. The case of the dispute concerning drugs for HIV/Aids patients highlighted the problem with patents: it seemed scandalous that drugs that promised relief for sufferers were being marketed in Africa at the same retail cost as in New York. Enforcing patents blocked access to medicine for millions of Africans. An exception was eventually made, allowing for a public-health emergency so that generic drugs produced in India could be made available to HIV/Aids sufferers in Africa at a fraction (1/400) of the cost of Western-produced drugs. This exception for antiretroviral drugs was not allowed to

become a model for other medicines, however. The Western pharmaceutical companies with their political allies successfully reasserted the demand at the World Trade Organization (WTO) that their patents on new medicines be enforced as Trade Related Intellectual Property Rights (TRIPS).

All patents create a measure of monopoly, and there may be good reasons for a society to do this; but the disadvantages and dangers must also be borne in mind. Nobody anticipated that the useful instrument of patents would be used by Western firms to claim, for their exclusive commercial exploitation, the traditional healing wisdom of Kalahari tribespeople, or the musical heritage of T'boli peoples in Mindanao, Philippines. It seems evident to common sense that such actions, though legal, are contrary to the purposes for the sake of which the instrument of patents was devised. These are extreme examples, but all use of patents creates forms of monopoly. Just like licences, patents give their holder an opportunity to do business that is denied those without licences. Our society may be preventing participation in the productive activities of the economy with the exclusionary effect of licences and patents that make it very difficult for people to enter the market and participate.

A licence or patent ensures a measure of monopoly by excluding competition. Those in question may argue that they had to compete for the licence, but that is a different form of competition. The decision-makers are not the ultimate consumers, who shift from one supplier to another depending on the quality of goods and service, as well as price. The decision-makers in the granting of licences and patents are the public servants and their bosses, the politicians. The familiar expression of 'crony capitalism' is useful for pointing up the dangers of this form of competition. A society that relies substantially on the granting of licences as part of the way it provides for itself is in danger of creating monopolies and of excluding many from participation who could otherwise be innovative and productive members of society.

The flourishing spoken of as belonging to the common good is not merely an end goal, a set of circumstances to be realised at the end of processes. Flourishing is experienced already in the performance, and it is not difficult to appreciate the achievement and fulfilment associated with the ingenuity of business creativity and the exercise of entrepreneurial responsibility. The conditions for flourishing therefore must include the conditions of openness whereby people have access to competitive markets. Pope John Paul II appreciated this in *Sollicitudo Rei Socialis*, where he remarked, specifically about access of poor people to business activity:

> Likewise, in this concern for the poor, one must not overlook that special form of poverty which consists in being deprived of fundamental human rights, in particular the right to religious freedom and also the right to freedom of economic initiative.[8]

In our world in which so many pressures against competitive markets exist, this is a real block that also deprives societies of the contribution of adaptable and creative people. Among the institutional blocks to access to markets are not only patents and licences but most particularly access to credit. Hernando de Soto has illustrated how regulatory schemes blocking title to property and access to licences exclude many poor people from participation in business.[9]

Franchises, location, access to credit, subsidies, patents and licences all operate as filters blocking entrance to participation in business. It is the securing of this measure of monopoly that enables the generation of enormous wealth for a few. Are not similar dynamics in play in the very evident rent-taking behaviour of executives and traders, who exploit the positions they occupy and the power of exclusion of others from those positions in order to derive great wealth for themselves through extravagant bonuses and stock options without evident benefit for the common good?[10]

The elements that tend towards monopoly and away from competition jeopardise the prospect of providing the conditions of flourishing for all individuals and groups.

IV Conclusion

Providing conditions for flourishing is an important sense in which business can be for the common good. Business is central among the economic conditions for the flourishing of individuals and groups, not only in providing goods and services required for their pursuit of practical projects but also in providing opportunity for participation in the creativity and ingenuity uniquely available in business. Businesses function best as conditions for flourishing when they are required to compete in markets, because competition ensures efficiency. To the extent that monopolies are tolerated, or even created by regulatory measures instituting patents, licences, subsidies and bureaucratic hurdles, the potential contribution of business to the common good is frustrated.

Notes

1 Patrick Riordan, *A Grammar of the Common Good: Speaking of Globalization* (London/New York: Continuum, 2008); *Global Ethics and Global Common Goods* (London: Bloomsbury, 2015).

2 Patrick Riordan, 'Aristotle and the Politics of the Common Good Today', in *Together for the Common Good: Towards a National Conversation*, ed. Nicholas Sagovsky and Peter McGrail (London: SCM Press, 2015), pp. 31–48.

3 'Doing Business for the Common Good? Lessons from the Credit Crisis', in *Ethics in Economic Life: Challenges to a Globalizing World*, ed. Ivo de Gennaro, Josef Quitterer, Christian Smekal and Barbara Tasser (Innsbruck: Innsbruck University Press, 2009), pp. 101–13.

4 Patrick Riordan, 'The Purpose of Business and the Human Good', *Review of Business* 19:4 (1998), pp. 4–10.

5 Adam Smith, *An Inquiry into the Nature and Causes of the Wealth of Nations*, 2 vols, ed. R. H. Campbell and A. S. Skinner (Indianapolis, IN: Liberty Fund, 1981).

6 *Wealth of Nations*, p. 145.

7 *Wealth of Nations*, p. 267.

8 *Sollicitudo Rei Socialis* §42.

9 Hernando de Soto, *The Mystery of Capital: Why Capitalism Triumphs in the West and Fails Everywhere Else* (London: Black Swan, 2000).

10 Since writing this I have come across Guy Standing, *The Corruption of Capitalism: Why Rentiers Thrive and Work Does Not Pay* (London: Biteback Publishing, 2016), which makes similar points.

Chapter 4

Laudato si' and Recent Church Teaching on Property Rights[1]

Professor Philip Booth

My main criticism of *Laudato si'* is the way it relegated discussion of the issue of private property rights to three paragraphs. In doing so it effectively repeated the conclusions of *Sollicitudo Rei Socialis*, *Centesimus Annus* and related documents published 25 years or more earlier, and gave the impression that private property rights were problematical rather than helpful in promoting the common good when it came to environmental resources.

The Church has a long history of understanding the importance of private property for the promotion of the common good – especially in the context of the fall. Furthermore, in the gap between *Solicitudo Rei Socialis* and *Laudato si'* there has been a huge amount of work done on the importance of property rights for environmental conservation that really confirms the Church's general position on the importance of those rights for the promotion of the common good and can help us extend it to environmental questions. Indeed, at least two Nobel Prizes in economics were awarded for work in that area and one of those – to Elinor Ostrom – was for work uncannily close to the traditions of Catholic Social Thought (CST), even though she was totally unfamiliar with the tradition.

In *Centesimus Annus*, John Paul II specifically raises what he describes as the 'ecological question' in relation to private property.[2] He then suggests that 'It is the task of the State to provide for the defense and preservation of common goods such as the natural and human environments, which cannot be safeguarded simply by market forces.'[3] In doing so he seems to be calling into question the ability of private ownership to protect the environment. This is a key statement from a pope who, in general, echoed very faithfully the strong line in favour of private property that appeared in Pope Leo XIII's *Rerum Novarum*. Pope Francis' *Laudato si'* essentially reiterates this statement and continues the discussion about private property and the protection of the environment with a negative emphasis. The encyclical states that the Christian tradition has never recognised property rights as absolute or inviolable and that they must be subordinated to a social purpose. Of course, this has always been the Church's teaching. Specifically, Pope Francis says: 'The natural environment is a collective good, the patrimony of all humanity and the responsibility of everyone. If we make something our own, it is only to administer it for the good of all.'[4] Pope Francis simply moves on, not to address the subject again.

The problem is that this simply ignores the key question, which is: 'Are private property rights the best way to deal with the conservation of the natural environment?' There is an awful lot of work that has been undertaken on this subject in recent decades, which seems to have been entirely ignored. Given the importance of the subject and the importance of private property in the teaching of the Church, *Laudato si'* would have made a bigger contribution to the social teaching of the Church had property rights been considered more fully.

CST and private property

The argument of Aquinas, the late scholastics and CST more generally has always been that private property has a social purpose – in general, if not always. It is not that there is thought to be a contradiction between private property and the common good but that private property is necessary for the common good. Therefore both *Centesimus Annus* and *Laudato si'* are posing a false dichotomy.

How can private property promote the common good? Some Christians speculate that before the fall of man, private property might have been unnecessary because there would have been no cooperation, no selfishness and no scarcity, though this argument is contestable.

However, we need not concern ourselves with this because the reality of the fall means that, for Aquinas (and subsequently the Church as a whole), private property became important for at least three reasons:

1. Private property encouraged people to work harder because they were working for what they could own – otherwise people would shirk.

2. Private property would ensure that affairs were conducted in a more orderly manner – people would understand what they were responsible for rather than everything being the responsibility of everybody.

3. Private property ensured peace if property was divided and its ownership understood.[5]

Before Aquinas the Church Fathers were somewhat more ambivalent about private property and certainly taught that any excess of property should be given away. However, Aquinas thought more about the wider social purpose of private property.

The teaching of Aquinas has since been reiterated. The late scholastics took the same position. As noted above, *Rerum Novarum* took an especially strong line, describing property rights as 'inviolable', since when it is fair to say that the Church's teaching has been very similar to that of Aquinas, stressing the social purpose of property. However, *Centesimus Annus* and, as far as can be discerned, *Laudato si'* seem to suggest that when it comes to the conservation of the environment, private property might be found wanting and might not fulfil a social purpose.

Indeed, it is interesting to compare *Laudato si'*, which says (as mentioned above): 'The natural environment is a collective good, the patrimony of all humanity and the responsibility of everyone', with the second justification of private property from Aquinas, who argues: 'human affairs are more efficiently organised if each person has his own responsibility to discharge; there would be chaos if everybody cared for everything.'

In a sense, Aquinas has already dealt with the issue that Pope Francis seems to have identified as an obstacle to private property. And when it comes to the environment, if it is left 'as the responsibility of everyone' it may, indeed, become the responsibility of no one, with catastrophic results. And there is much economic reasoning and evidence confirming that this is the case. The absence of private property leads directly to environmental degradation.

Property rights and environmental protection

The 'tragedy of the commons'

The importance of property rights for the environment is often considered in the context of Hadin's 'tragedy of the commons'.

Hadin referred back to a pamphlet by William Forster Lloyd in which a situation was described whereby common land was open to grazing by all. It would, of course, be overgrazed because a person would get the benefit of putting additional cattle on the land without bearing the cost that arises from overgrazing, which would be shared by all. In the end the common land would be destroyed. This is even clearer with fish stocks. For example, a trawler taking extra tuna from the ocean will benefit, but the – perhaps hugely greater – cost of taking the extra tuna in terms of lower levels of breeding will be shared between all trawler owners over the very long term. Undefined or unenforced property rights are disastrous for environmental outcomes. This is not reasonably disputed.

An often-used example to illustrate this is the border between Haiti and the Dominican Republic. One side of that border is an environmental disaster zone – the Haitian side. As the UN has put it: 'Environmental degradation in the worst affected parts of the Haitian border zone is almost completely irreversible, due to a near total loss of vegetation cover and productive topsoil across wide areas.'

The reason for this is that, in effect, the Haitian side of the border is ungoverned and unowned. Haiti has been for much of the recent past a failed state (ranked eleventh in the Foreign Policy Fragile State Index, 2015[6]) and has a terrible record of corruption (175 out of 182 in the Transparency International Corruption Perception Index).[7] In relation to Haiti, the 2016 Heritage Index of Economic Freedom states that 'clear titles to property are virtually non-existent'.[8] By no means is the Dominican Republic perfect, but it ranks about half way up the region in the same index when it comes to the protection of property rights. Haiti and the Dominican Republic are a particularly interesting contrast because of their proximity to each other.

However, there is abundant evidence that the lessons from this example can be generalised. For example, deforestation in rain forest areas is much greater where there are insecure property rights. Particularly unhelpful is a situation in which trees in a forest are owned by the government and the land is privately owned, which provides incentives for the owners of the land to find any way they can to remove the trees, which have been rendered valueless to the owners of the land. Indeed, the relationship between property rights and environmental protection is well researched and very strong.

The reason why we might expect private ownership to be successful in environmental conservation is easy to explain in economic terms. Private ownership and the institutions that surround it provide incentives for sustainability. The value of a piece of land at any time reflects the present value of all the land can yield in the indefinite future. The cost of damaging the resource is huge because it relates to all possible lost future production and not just production over a year or two. However, people will not nurture property in a sustainable way if they believe it is going to be polluted and plundered by others. This argument is pretty clear, but there are three subsidiary reasons why property rights are important for the conservation of the environment, which will be discussed further below.

Property rights and water

Another field relevant to environmental conservation where a lack of property rights can lead to environmental disaster is in the provision of water. Indeed, in this context it is somewhat interesting that Pope Francis said:

> Even as the quality of available water is constantly diminishing, in some places there is a growing tendency, despite its scarcity, to privatize this resource, turning it into a commodity subject to the laws of the market. Yet *access to safe drinkable water is a basic and universal human right* . . .[9]

This is problematic at several levels. First, it is only when they are scarce that privatisation and commoditisation are even worth considering – it is strange to argue that we should not have markets or property rights when things are scarce. We do not need property rights in things that are abundant.

Second, linking a desire not to have property rights in water to the fact that it is a 'human right' is strange too. Food, shelter and clothing are also regarded by the Catholic Church as human rights. Are we to suppose that property rights should not be embodied in such things either? Or are we to suppose that there should be no markets for, or pricing of, shelter, clothing or food? The Church has supported property rights because they perform a social function. Whether they do can be debated. However, if they do promote social welfare it would seem curious not to allow property rights in the most important commodities.

Third, it is property rights in resources and the pricing of such resources that ensure their conservation and their use for the most valuable ends – clean drinking water being absolutely the most valuable. If we care about water scarcity then we should desire that there are property rights in water – even if those property rights are held by the state. Alternative regimes of water ownership and management are catastrophic at the environmental level and tend to benefit better-off special-interest groups.

In the developed world, for example, California has a water crisis and yet most homes in many cities do not have metered water and the government caps water charges. Furthermore, agriculture accounts for 80 per cent of water consumption in California but only 2 per cent of economic activity, with land being flooded to grow crops such as rice and alfalfa. By one account, over the years farmers have paid just 15 per cent of the capital costs of the federal system that delivers much of the water to farmers in California. Not surprisingly, only 4 per cent of water in the USA is re-used.

The situation is worse in many poorer countries. A recent report to the Indian Parliament suggests that the current subsidy system 'Encourages using more inputs [in agriculture] such as fertiliser, water and power, to the detriment of soil quality, health and the environment. They also disproportionately benefit rich and large farmers.' India uses two to four times more water per unit of major crop output than China and Brazil and has huge levels of wastage.

The pricing of water resources and private ownership – which may well need to be regulated as it is in the UK because of monopoly elements in the system – encourages conservation, investment in preventing wastage and the use of water in water-scarce countries for its most valuable ends. It also reduces the extent to which rich and well-connected business interests can obtain water

subsidies at the expense of the population in general, as happens in India, California and many African countries.

Of course, the absence of property rights in water has the potential to sow the seeds of violent conflict in the coming century as water becomes more scarce. This takes us back to Aquinas' third point: private property ensures peace if property is divided and its ownership understood.

There are other solutions to problems with water conservation. As long as property rights are clear and where there is good governance and also effective pricing, government ownership of water resources is certainly better in conditions of scarcity than no ownership at all. And regulation and/or subsidies could be used to ensure that all can have clean drinking water – the key is to ensure that, at the margin, additional water use is priced in a way that reflects its scarcity in a situation in which its ownership and governance is well understood.

Developments of the argument

As noted above, there are three further reasons why we might expect the institution of private property to bring about good environmental outcomes.

The rule of law

Property rights generally need protection via the law and effective systems of enforcement. Where we have property rights we have clarity of ownership and therefore enforceable laws relating to environmental damage to the property of others. Where we have good judicial systems, especially in common law systems, we should also get better protection of implicit property rights. This might be relevant, for example, in cases where indigenous people might have their property rights ridden roughshod over by – for example – agribusinesses wishing to clear forests. The purpose of private property rights and their enforcement is to protect the weak against the strong, not the other way round. For example, it has been estimated that 'almost half (49 per cent) of total tropical deforestation between 2000 and 2012 was due to illegal conversion for commercial agriculture'.[10]

Perhaps some need for regulation

There may be circumstances in which it is desirable that the government should regulate private ownership to prevent the commercial exploitation of certain environmentally sensitive resources. This itself requires incorrupt and efficient legal systems, law enforcement and administration and – as a prerequisite – well defined and enforced property rights. You cannot regulate the use of a resource, should you want to, *in extremis*, if its ownership is not well defined.

Prosperity and the environment

Economies broadly based on the principles of economic freedom and private property are more likely to prosper. As countries prosper they tend not only to develop technologies so that their economies are less resource intensive per unit of GDP but also to value environmental goods more. When the choice is between eating and preserving forests, eating tends to win. Sometimes, though not always, this preference for environmental goods as countries get richer may be expressed through the political system and lead to the regulation of activities that might spoil the environment, especially in relation to resources for which property rights are hard to define, such as the provision of clean air. One example of this effect relates to the emission of pollutants. In the USA, emissions as measured by an index of six major pollutants has fallen by 65 per cent per head since 1980.[11] Part of the reason for this will be the adoption of better technologies by companies

as a result of the technological progress that tends to go hand in hand with increased prosperity. However, regulation has also played its part.

Indeed, it is worth noting that no nation with an annual GDP per capita of more than $4,600 per annum had net forest loss in the period 2000 to 2005.[12] Though there is still net deforestation taking place in the world as a whole, the net rate has more than halved to 0.08 per cent in 2010–15, from 0.18 per cent in the early 1990s.[13] Deforestation has decreased as poor countries – which contain most of the forested areas – have become richer.

Ostrom and community property ownership

Property rights are often highly complex, especially in poor countries. In many situations property rights are not individualised but they are still private. There has been a great deal of work on community-based property rights and environmental problems. The most famous figure in this area is Elinor Ostrom, who won the 2009 Nobel Prize for Economics – the first woman to do so – for her work in this area, which is highly regarded right across the political spectrum.

Ostrom's thesis is simple. Communities from the bottom up often develop methods of controlling the use of environmental resources – fish and forests in particular – that are remarkably stable and effective. Communities develop their own systems of enforcement. And the main role of government is to support those systems and not to take them over. The links between her work and the principles of CST are extraordinary, though I do not think she can have read any CST at all. She brings in, without defining in the same way, Pope Pius XI's principle of subsidiarity, but also reciprocity (a theme of *Caritas in Veritate*) and solidarity.

Ostrom's principles are as follows:

- *There should be clear and locally understood boundaries between legitimate users and non-users*. This clearly implies some kind of private property rights (at least rights of exclusion), even if those rights are not individualised.

- *There should be congruence with local social and environmental conditions*. In other words, methods of managing environmental resources such as fish and forests should be culture and circumstance specific.

- *The rights of local users to make their own rules are recognised by the government*. Thus the government is there to allow the people to cooperate and not to tell them what to do.

Ostrom's work is essentially empirical. She demonstrates that community-managed natural resources such as forests and fish have better sustainability outcomes than government-managed systems. This is an important extension to the work on property rights and the protection of the environment which, especially given its congruence with CST, should be studied more widely and integrated into the thinking of Christians who take an active interest in these issues. The fact that Ostrom's work deals with poor communities – including countries in which property rights as understood in the West are neither well defined nor well enforced – makes it all the more important.

Conclusion

The issues discussed in this chapter are most acute in the world's poorest communities. The impact on people's lives of the political economy of countries in which property rights are not well defined and well enforced can be devastating; the impact on the environment can be catastrophic.

Laudato si', Pope Francis' major encyclical on the environment, was an important opportunity to unite the Catholic Church's moral and economic teaching with that of modern thinking in the social sciences. In many senses it did that. However, when it came to discussing the role private property can play in protecting the environment, any engagement with recent economic thinking that, in fact, confirms what the Church has taught for the last eight centuries was missing. That is a pity.

Private property and related institutions, and also spontaneous community action where resources are managed in common but not by the state, have a crucial role to play in promoting environmental preservation. Some of the worst environmental tragedies in the history of the planet have occurred under regimes that have no respect for the institution of property.

Though property and private ownership is the best route to a healthy environment, it will not solve all problems. However, even when it does not solve particular environmental problems, the existence of private property rights provides the best institutional backdrop for effective state intervention.

Aquinas argued that private property in general promoted what we now call the common good. The environment is not the exception here, as *Laudato si'* seems to imply. Economic theory and evidence suggest that private property is especially important in ensuring that the right incentives exist to conserve the environment and so that we can all live peacefully, caring for what is our responsibility.

Notes

1 There is a much-expanded version of this paper entitled 'Property Rights and Conservation: The Missing Theme of Laudato si', in *The Independent Review* 21:3 (2017), pp. 399–418.

2 *Centesimus Annus* §37.

3 *Centesimus Annus* §40.

4 *Laudato si'* §95.

5 Rodger Charles, *Christian Social Witness and Teaching: The Catholic Tradition from Genesis to Centesimus Annus* (Leominster: Gracewing, 1998), p. 207.

6 See http://foreignpolicy.com/2015/06/17/fragile-states-2015-islamic-state-ebola-ukraine-russia-ferguson.

7 See http://postconflict.unep.ch/publications/UNEP_Haiti-DomRep_border_zone_EN.pdf.

8 See www.heritage.org/index/country/haiti.

9 *Laudato si'* §30; emphasis original.

10 Sam Lawson, *Consumer Goods and Deforestation: An Analysis of the Extent and Nature of Illegality in Forest Conversion for Agriculture and Timber Plantations,* Forest Trends Report Series (Washington DC: Forest Trends, 2014), p. 2; www.forest-trends.org/illegal-deforestation.php.

11 See www3.epa.gov/airtrends/aqtrends.html#comparison.

12 Pekka E. Kauppi, Jesse H. Ausubel, Jingyun Fang, Alexander S. Mather, Roger A. Sedjo and Paul E. Waggoner, 'Returning Forests Analyzed with the Forest Identity', *Proceedings of the National Academy of Sciences of the United States of America* 103:46 (2006), pp. 17574–9.

13 See www.fao.org/news/story/en/item/326911/icode.

Chapter 5

How the Market Economy Contributes to the Common Good

Dr Samuel Gregg

Introduction

One of the first things my DPhil supervisor, John Finnis, taught me was that clear and accurate definitions matter if one is to engage in a coherent discussion of any subject. Hence I will begin by offering definitions of the common good and the market economy, before proceeding to illustrate how the former can contribute to the latter.

The common good

Though often used as a synonym for socialism, social democracy or even communitarianism, this is not how Christian social ethics – or natural law theory for that matter – understands the common good. In the first place there is the common good understood as something valuable in itself. Second, there is the common good conceived of as a set of conditions necessary to realise a particular end.

Concerning the first conception, the common good may be defined as all-round human flourishing: of human individuals and human communities. And human flourishing is not whatever we want it to be. It occurs when people engage in practical reasoning and make free choices to participate in the moral goods, or what Saint John Paul II defined in his 1993 encyclical *Veritatis Splendor* as the 'fundamental goods'[1] that make human life distinctly human. These goods, common to all, are knowable to all people through the natural reason possessed by all humans. They include goods such as life, marriage, religion, friendship, practical reason, creativity, beauty and work. These goods, however, are also 'common' goods because they may be participated in in innumerable ways by infinite numbers of persons.[2]

Human flourishing is also radically dependent on free choices for one or more of these goods involving no intentional violation of the moral absolutes, as expressed in sources such as the Decalogue's second tablet, which is rigorously reaffirmed by Christ himself, and Saint Paul's letters, and which provide the Christian moral life with an inner stability that prevents it from moving in the direction of one or more forms of consequentialism.

The second expression of the common good concerns the conditions that facilitate human flourishing by all individuals and groups within a given community. Put another way: if people are to have the possibility of engaging in such flourishing, then certain minimal conditions must exist.

A particular characteristic of this understanding of common good is that it is not the all-inclusive end of its members. Rather it is instrumental: it is directed to *assisting* the flourishing of persons by fostering the conditions that *facilitate* – as opposed to try and directly realise – the free choice of its members to participate in the basic goods and thus realise human flourishing. The state's ways of serving this end might include, among others, interacting with other political communities,

protecting its members from hostile outsiders, vindicating justice by punishing wrongdoers and defining the responsibilities associated with particular relationships, such as contractual duties.

What these activities have in common is that they are all conditions that *assist* – as distinct from directly cause – people to achieve self-mastery. It is harder, for example, to choose to pursue the good of knowledge in a situation of civil disorder. Likewise, we know that the incentives for us to work are radically diminished if there is no guarantee that our earnings will not be arbitrarily confiscated by others or the state.

Once we establish that a certain protection or entitlement is required for any person to have any possibility of choosing one or more of the fundamental goods, we may begin to speak of this essential condition as a right. If, for example, a person's life is violated by another's intentional act to kill that individual, the common good is undermined. The damage consists of diminishing the confidence of others in that society that the safety of their life is relatively guaranteed. Such circumstances in turn severely hinder our ability to make free choices of a range of reasonable options.

When we situate such rights within a given political community, then, as John Finnis observes, they amount to an outline of a political community's common good or 'the political common good'.[3] In short, they describe those conditions that must prevail in a political community if people in that society are to be able to choose freely to participate in the basic goods that lead to human flourishing.

Another set of conditions associated with the common good, one that I think has received significantly less attention in Christian social ethics, concerns not so much rights as institutions. Our opportunities for free choice may be unreasonably limited if certain institutions are weak or absent. By institutions I do not simply mean particular protocols or ways of proceeding. I also mean certain moral commitments that are at the heart of these protocols and ways of proceeding.

A good example is the rule of law. On one level, rule of law concerns a variety of requirements in the formulation and application of law that must be met if such formulations and applications are to be considered just. Such principles of natural justice include characteristics such as rules being promulgated, clear and coherent with respect to each other; rules being prospective rather than retroactive; rules not being impossible to comply with – and so on.[4] A law can thus be said to treat its subjects seriously when it is promulgated, clear, general, stable and, above all, *practically reasonable*. The moral commitment involved here in the institution of rule of law is the fact that it is considered wrong for law-makers and law-implementers to behave in an arbitrary manner. When a law fails to meet this basic criterion of reasonableness, rule of law degenerates into 'rule of men'. Interestingly, it was Aquinas who first stated that the rule of law is 'not the rule of men'.[5] By 'rule of law' Aquinas did not primarily mean that those charged with administering the law simply upheld established rules and procedures consistently. Rule of law was, for Aquinas, a matter of acting according to *reason*.

The political community's common good thus helps us to define its legitimate authority and limit it. This translates into the state playing a coordination role with regard to: (1) those communities, such as families and religious associations, that *directly* instantiate particular basic goods by virtue of their very existence; and (2) other forms of association, such as business enterprises, whose primary focus as a community is on the realisation of instrumental goods such as wealth. But precisely because the state exists to facilitate an *instrumental* good – the political common good – there are

limits on the extent to which it can act. The state itself cannot make a free choice on the part of a person to participate in one or more of the basic goods.

The market economy

Turning now to the second matter requiring closer definition, the market economy, this is in many respects an easier exercise. One reason for this is that a market economy, as opposed to, say, a mixed economy or a socialist economy, is one in which liberty in economic creativity and economic exchange within a setting of particular rules and institutions is given high priority.

A market economy, for example, relies on processes such as free prices and the free exchange of goods and services, institutions such as private property and rule of law, and actions such as innovation and economic entrepreneurship. Every single one of these processes, actions and institutions assumes a commitment to *freedom*. The mundane business of deciding the price at which I will sell my house is based on the assumption that I am at *liberty* to do so. Absent economic freedom, the process of free exchange and the free formation of prices grinds to a halt.

The first mature expression of the market economy occurred in the high Middle Ages. In his book *Guilds and Civil Society in European Political Thought from the Twelfth Century to the Present*, the sociologist Antony Black lists the values central to this *market culture* as:

> personal security in the sense of freedom from the arbitrary passions of others. And freedom from domination in general. This involves freedom (or security) of the person from violence, and of private property from arbitrary seizure. But these . . . can only be maintained if legal process is credible and successfully enforced as an alternative to physical violence, in settlement of disagreements, and in redressing wrongs committed by violence. This leads to the notion of legal rights . . . both in the sense of the right to sue in court on equal terms with everyone else – legal equality – and in the sense of claims, for example, to property, recognized and upheld by the law.[6]

Some of the intellectual influences underpinning market culture came from medieval writers who had read Cicero's *De Officiis* [*On Duties*]. But Black goes to some lengths to demonstrate that market culture's stress on personal liberty as profoundly valuable came straight from Christianity.[7] The Christian faith stressed that humans had been liberated from sin, and not just as a race but individually as well. When linked with the Church's stress on man having free will and equal dignity, it created a powerful cultural and political dynamic that was almost irresistible.

In economic terms, then and now, this translated into many things: freedom to create, freedom of association, freedom of exchange and freedom to contract. The notion of equal dignity also gave powerful grounding to the idea of everyone's equality before the law. Growing legal recognition of these liberties and protections encouraged the legitimacy of relatively free-floating economic relationships, as distinct from the more communal types of connections encouraged by guilds and corporatist thought. Medieval market culture also derived support from the prohibitions in the Decalogue which, in their absolute condemnation of stealing, murder, lying and unfaithfulness, highlighted the essential *wrongness* of *arbitrary* behaviour.

The entry and proliferation of these ideas into many sectors of European life could not help but give a particular flavour to what Robert Lopez describes in his famous book as the 'commercial revolution' unleashed during the Middle Ages.[8] Certain rights concerning the free trade of privately owned goods began to receive formal legal recognition in twelfth- and thirteenth-century civil

and canon law. By the thirteenth century, the willingness throughout England to exercise legally recognised liberties to buy and sell property had become so widespread, facilitated such low-transaction costs in the exchange of goods and encouraged such relatively easy capital-formation that the historian Alan Macfarlane has described this society as 'an open, mobile, market-orientated nation'.[9]

Of course, other influences were present in the economic life of the Middle Ages, most notably that of guilds and what might be described as corporatist values. A similar situation exists today. Most developed economies today are best described as mixed economies. In many Western European countries, for example, more than 40 per cent of GDP is controlled directly or indirectly by the state. The number of regulatory authorities and regulations authorised by governments in economically developed nations is extensive, perhaps even beyond counting.

How the market facilitates the common good

Turning now to the question addressed by this chapter, even though most markets today are enmeshed in highly regulated environments, what are the specific ways a market economy can contribute to the common good, whether in the sense of the goal of human flourishing that is common to all, or as the set of conditions that permit such flourishing? Let me list six.

First, the market economy can create opportunities for human participation in the fundamental goods central to human flourishing. One such good is that of human creative work. Market economies place a premium on creativity. This is underscored by their attention to, and even reliance on entrepreneurship, whether from people starting new enterprises or those involved in the development of new goods and services or the refinement of existing ones.

Creativity is possible in other economies. But such economies, for example those dominated by guild-like formations, typically place a lower priority on creativity. The creative use of one's practical reason and then free choices to bring a particular creative insight to fruition are not priorities in economies that emphasise security.

Second, to the extent that the habits and institutions of the market economy limit state action and inhibit unjust coercion by government, markets help create a space in which people can choose and act freely. This creation of space is a vital precondition to human flourishing. Given just how much of our lives is spent in the marketplace and economic life more generally, this particular space for free choice, whether it is in our buying and selling choices or our work, is especially important.

Third, there is a clear correlation between market economies, economic growth and the reduction of material poverty. Economic growth can occur in non-market settings but not at the same scale or speed as market economic arrangements. One can flourish without economic growth. After all, our capacity to make free choices for the good is not extinguished by a lack of economic growth. One can be good in conditions of economic stagnation. That said, economic growth creates more resources for more people, which can assist them in realising a greater and more varied participation in the basic goods over periods of time. Certainly, it can facilitate the opposite, as manifested in phenomena such as consumeristic mindsets – something hardly limited to market economies. But the possibilities opened up by the economic growth facilitated by markets for more widespread and varied realisations of human flourishing should not be underestimated.

People who live in poverty arguably have fewer opportunities for flourishing, not least because they are focused on survival. To the extent that markets have radically reduced poverty across the globe

– as they unquestionably have, and at a pace unprecedented in history over the past 40 years – they have helped undermine an obstacle to more widespread realisations of human flourishing.

Fourth, strong commitments to the promotion of market economies involve, by definition, strong commitments to particular institutions – such as private property arrangements, rule of law – that themselves contribute to conditions that normally facilitate human flourishing. Markets are difficult if not impossible to promote and maintain without such institutions.

Fifth, markets facilitate relationships between human beings who might otherwise have little to do with each other. A radical individualist will not survive very long in a market economy, because such economies are based on ongoing and ever-changing forms of human association, whether within businesses or between producers and consumers. Moreover, to the extent that businesses and market relationships are mediated by contractual arrangements, they may facilitate greater awareness of the demands of commutative justice.

To be sure, many of these relationships are what Aristotle called relationships of utility. They are not friendships and it is often a mistake to construe them as such. Many businesses are better described as associations of persons rather than communities of persons. Businesses are businesses. They are not in themselves, or even meant to be, families. Nonetheless some of these relationships will become based on more than utility. Moreover, to the extent that they create networks of human interaction, they help draw people out of isolation as well as widen their participation in forms of human relationship that go beyond, say, families. This can create more and unexpected opportunities for human flourishing.

Sixth, markets are exceptionally good at resolving a number of coordination problems in any political community that takes freedom seriously. In any society, but especially relatively free societies, the range of different, sometimes incompatible possibilities for reasonable choice by individuals and associations continues to expand. It thus becomes increasingly difficult to reconcile all choices with each other. Decisions thus need to be made concerning the processes, rules and policies that allow different reasonable choices to be reconciled, and to address problems arising from unreasonable choices.

When it comes to deciding how to coordinate a multitude of free acts, there are only two ways: unanimity or authority.[10] The agreed voluntary undertakings contained in a contract, for instance, are based on unanimity insofar as the contracting individuals adhere to the original voluntary agreement. In the case of a breakdown of unanimity, the two individuals either: (1) agree to dissolve the contract (unanimity); (2) admit the authority of a law demanding completion of agreed undertakings; or (3) are held to their undertakings by some organisation wielding a recognised authority.[11]

On one level, resolving coordination issues for the political community's common good requires decisions to be made by the authorities charged with some responsibility. In many areas, however, it is possible to produce coordination without recourse to state action. The market economy, which is preconditioned on the workings of free prices, allows this to occur in much of economic life. By reflecting the supply and demand status of different goods and services, the free price mechanism provides people with much of the information they need in order to choose what to purchase. It also provides producers with information about what and how much they should be producing.

Authoritative judgements need to be made concerning what to do when a person, for example, reneges on their promise to pay the agreed-upon price. We know, however, that when the state

seeks directly to resolve the challenges associated with economic calculation and coordination through, for example, trying to fix prices, as was the case in the former Communist bloc as well as the present-day economic disaster otherwise known as Venezuela, the damage to the conditions that constitute the common good is considerable.

So to conclude: none of what I have said today should be taken to mean that there are not instances in which the operations of markets might corrode conditions that make up the common good – consumeristic mindsets, for example, can develop in all economic arrangements. But the temptations are arguably multiplied in those economies that are especially good at creating wealth and diminishing poverty. That said, I would suggest that many claims about how markets corrode the common good reflect, ironically enough, somewhat economistic explanations for problems that often have more to do with moral, cultural and political dysfunctionalities than the market per se.

Many of our contemporary challenges in developed economies reflect, in my view, the growing problem of crony capitalism about which, as I have observed elsewhere, CST says precisely nothing.[12] This makes even more vital, in my view, the need for Christians of all confessions to grasp the precise ways market economies do serve the common good – otherwise, I fear, we will make the mistake of attributing responsibility for many contemporary challenges to a form of economic organisation that actually serves in many instances, as Wilhelm Röpke, the Christian and free-market economist and intellectual architect of the *Wirtschaftswunder* once wrote, to make human life more humane.

Notes

1 *Veritatis Splendor* §§48, 49.

2 See John Finnis, *Natural Law and Natural Rights* (Oxford: Clarendon Press, 1980), pp. 59–99.

3 See John Finnis, 'Is Natural Law Theory Compatible with Limited Government?', in *Natural Law, Liberalism and Morality: Contemporary Essays*, rev. edn, ed. Robert P. George (Oxford: Oxford University Press, 2001), pp. 1–26.

4 See Finnis, *Natural Law and Natural Rights*, pp. 270–3.

5 Thomas Aquinas, *Sententia Libri Ethicorum*, V.11 n.10, in Thomae Aquinatis Opera Omnia cum Hypertextibus in CD-ROM, rev. edn, ed. R. Busa (Milan: Editoria Elettronica Editel, 1996).

6 See Antony Black, *Guild and State: European Political Thought from the Twelfth Century to the Present* (New Brunswick, NJ: Transaction, 2003), p. 32. See also C. W. Bynum, 'Did the Twelfth Century Discover the Individual?', *Journal of Ecclesiastical History* 31:1 (1980), pp. 1–17.

7 See Black, *Guild and State*, p. 41.

8 See Robert S. Lopez, *The Commercial Revolution of the Middle Ages, 950–1350* (Cambridge: Cambridge University Press, 1976).

9 See Alan Macfarlane, *The Origins of English Individualism: The Family, Property and Social Transition* (Oxford: Blackwell, 1978), p. 163. See also John F. McGovern, 'The Rise of New Economic Attitudes – Economic Humanism, Economic Nationalism – During the Later Middle Ages and the Renaissance, A.D. 1200–1550', *Traditio* 26 (1970), pp. 217–53.

10 See Finnis, *Natural Law and Natural Rights*, pp. 231–3.

11 See Finnis, *Natural Law and Natural Rights*, p. 232.

12 See Samuel Gregg, 'How can Liberty and Solidarity Address the Problem of Crony Capitalism?', in *Liberty and Solidarity: Living the Vocation to Business*, ed. Andrew V. Abela and Beatriz E. Lopez (Washington, DC: Catholic University of America School of Business and Economics, 2014), pp. 69–74.

Chapter 6

Risk, Uncertainty and the 'Civil Economy' Alternative

Dr Adrian Pabst

1 Risk and uncertainty

In economics there is a fundamental distinction between risk and uncertainty. Risk is calculable and can be known using reason and measurement, whereas uncertainty is incalculable and involves judgement. Risk can be insured against, while in conditions of uncertainty nobody knows what other actors will do in response to decisions or events. The relationship between risk and uncertainty is complex, but as the economist and Nobel Prize Laureate Angus Deaton has argued, the reduction of risk for individuals – in terms of security and health – has paradoxically coincided with an increase in uncertainty.

However, even if uncertainty is more primary than risk, it is nonetheless the case that certain risks such as financial contagion cannot be computed using models of probability calculus. Indeed, the 2008 global credit crunch and the ensuing recession have shown that the dominant model of contemporary capitalism tends to privatise profits, nationalise losses and socialise risk. Arguably, this is part of a wider system that rests on the impersonal forces of 'big government' and 'big business', which together engender a centralisation of power, a concentration of wealth and a commodification of everyday social life. For many individuals and groups, risk is seen as a systemic danger against which there is little personal protection.

In consequence, risk aversity reaches new levels and starts inhibiting innovation, personal responsibility and new business ventures without any guarantee of success. When people and cultures are in denial about basic truths and natural realities (above all our human vulnerability and mortality), there are growing attempts to insure against each and every eventuality, including death itself. We are witnessing two seemingly contradictory patterns: either a lack of belief and self-confidence that engenders a refusal to take individual and collective action, or else reckless risk-taking that ignores natural boundaries and anthropological taboos. Either way, there is a profound imbalance between healthy risk-taking and a reasonable degree of protection.

This is by no means a necessary state of affairs. Far from being a fated and inevitable process, this type of risk is a historically specific and contingent phenomenon. In this chapter I will argue for a different type of risk that can promote both individual fulfilment and mutual flourishing. Risk that encourages human creativity is key to vibrant entrepreneurship and truly competitive markets. That, in turn, requires a genuine market economy that reconnects risks to rewards through mutualisation and profit-sharing arrangements.

The alternative model I will outline draws on Catholic Social Thought (CST) and the 'civil economy' tradition. It rejects the impersonalism of the social contract between isolated individuals and the mere pursuit of either private happiness or public utility. Instead of the separation of contract from gift, this alternative proposes gift-exchange or social reciprocity as the ultimate principle to govern *both* the economic and the political realms. Risk- and profit-sharing models can mitigate systemic dangers while also providing more opportunities for ethical enterprise that is good business.

2 Are we living in a global risk society?

Since the end of the Cold War the character of the geopolitical and geoeconomic context has changed – from concrete and tangible threats in the area of national security to nebulous and systemic risks such as climate change, piracy, cyber-war, nuclear proliferation, state failure, international terrorism and the global 'credit crunch'. While a focus on threats tends to involve an emphasis on the past (dealing with dangers we know), the concept of risk shifts the perspective to the future (preventing future possible scenarios) – such as a 'black swan': an event with low probability but high impact, like a financial collapse. Politics, the economy and society have become about risk management – prevention, precaution, surveillance and vulnerability.

The German sociologist Ulrich Beck theorises this transformation in terms of the emergence of a 'risk society', defined as a society in which 'human generated, anticipated risks cannot be restricted either temporally, spatially or in social terms'.[1] In other words, we are witnessing the 'debounding' of risk, which is transnational in origin and reach, crossing all manner of boundaries over time and across space. As Beck explains, new risks such as climate change or financial contagion do not respect nation-state or any other borders. They have long latency periods, so that their long-term consequences cannot be reliably determined and contained (e.g. the build-up of debt as part of complex financial instruments such as derivative-trading). And as a result of complexity and the opacity of chains of control, it is increasingly difficult to identify cause and effect (as with vast financial Ponzi schemes such as subprime mortgages).

These new forms of risk, which cannot be contained by the logic of insurance or the old institutions of industrial modernity, are transforming not only the strategic context but also economic and social relations. For this reason the former US Secretary of Defense, Donald Rumsfeld, had a point when he spoke of 'unknown unknowns'. Far from being a tautology, 'unknown unknowns' are symptomatic of a profound redefinition of the fundamental logic underpinning politics, the economy and society: as the political thinker Christopher Coker puts it, the new logic is governed by 'the unknown, the uncertain, the unseen and the unexpected'.[2]

Uncertainty is of course central to economic and business activity, which are future-orientated. As Beck points out, it was Keynes who sought to conceptualise the distinction between predictable and non-predictable or calculable and non-calculable forms of contingency. In an influential article in *The Quarterly Journal of Economics* (published in February 1937), Keynes wrote the following:

> By 'uncertain knowledge', let me explain, I do not mean merely to distinguish what is known from what is merely probable. The sense in which I am using the term is that in which the price of copper and the rate of interest twenty years hence, or the obsolescence of a new invention are uncertain. About these matters there is no scientific basis on which to form any calculable probability whatever. We simply do not know.

The problem with Keynesian and other mainstream economics is that they focus on fear and uncertainty, which are fundamentally different from anxiety, complexity and the radical non-continuity of the future that are coming to the fore of both politics and the economy.

In particular this involves a much greater role for anxiety, complexity and the future. Let me take these three concepts in turn. For Coker, 'what is specific to many of our anxieties is that they exist in the absence of any looming historical disaster'.[3] Neither climate change nor the increasing frequency of financial crises is similar in scale and urgency to the permanent threat of nuclear Armageddon and Mutually Assured Destruction during the Cold War. Perhaps for the very same

reason, anxiety is much harder to cope with than the fear of concrete, tangible threats because anxieties reside in the human imagination. As such, anxieties are beyond the grasp of reason, calculation and science. And whereas fears focus on past and present dangers, anxieties concern unknown and uncertain future risks. The subjective and futural nature of anxiety means it cannot be dealt with by technocratic management or the 'politics of fear'.

Likewise, complexity means that political, economic and social systems do not operate according to the precepts of instrumental rationality but instead are non-linear and follow their own logic: 'emerging properties' rather than fixed essences; adaption rather than continuity; self-organisation and emergent order rather than compliance with existing rules. All this suggests that a rather more stable order based on fairly clear power relations has already given way to an emerging order composed of complex adaptive systems with their own internal dynamics – such as the exponential growth of financial exposure based on instruments that rest on the systemic spread of risk.

Given the nature of anxiety and complexity, the future takes on an entirely different meaning, and this is directly relevant for economics and business. Instead of assuming some degree of continuity between past, present and future, the world risk society that we inhabit has a fundamentally different temporal horizon. The future can no longer be assumed to be predictable based on calculative technologies. Nor can we protect ourselves against dangers by resorting to risk management along the lines of conventional models of insurance. Furthermore, theories that rest on the probabilistic and the series lose their purchase, with far-reaching implications for economics and finance. Non-linear, complex systems help bring about a future that is not merely contingent and subject to 'unknown unknowns' but also characterised by potentially catastrophic consequences that exacerbate the climate of subjective anxiety. Thus risk calculation based on past experience and reason breaks down, and the boundary between rationality and hysteria becomes blurred.

As Coker observes with reference to the work of the philosopher Alain Badiou, the global risk society is wary of 'events' (in the sense of genuinely epoch-changing and systemically transformative changes), just because it is fundamentally wedded to the status quo. The dominant system involves reckless risk-taking, which produces crises that require the sort of collective action rendered increasingly difficult by a culture of risk aversity and the tendency to insure against any eventuality. In other words, we are seemingly trapped in a system that is undergoing a peculiar sort of crisis, which John Milbank and I have conceptualised as a 'metacrisis' – a tendency at once to abstract from reality and yet to reduce everything to its bare materiality.[4]

This is particularly true for the dominant model of capitalism that promotes simultaneously abstraction through financialisation and materialisation, which subjects the real economy of productive activities to combined speculation and commodification. In so doing it further separates symbolic significance, equated with pure exchange value, from material space, which is seen increasingly as just an object for arbitrary division, consumption and destruction. Thereby it renders social destruction and ecological damage constitutive of our fundamental economic processes.[5] The main economic models in force today rest on unprecedented risk-taking while at the same time inducing risk-averse behaviour on the part of most consumers and clients, who feel vulnerable and are profoundly anxious. In short, the risk society appears to lack a future that would radically alter the status quo.

In the remainder of this chapter I will suggest that the alternative to the increasingly impersonal forces of state bureaucracy and market commodification is a renewal of intermediary institutions embedded in interpersonal relations. Such a renewal requires not only a transformation of state and market institutions but also involves potentially significant risks. Indeed, human life as such

depends on a bedrock of gift-exchange and that it develops in time through the astonishing and gratuitous irruption of new gifts of talent. As the theologian and 'civil economist' Luigino Bruni has shown, to pursue above all relationality is to risk being *wounded* by the other.[6] The market and the state encourage us to think that we can be insulated from such hurt by the impersonality of economic and bureaucratic or legal transactions. But without embracing the likelihood of some or even much sorrow, there can be no openness to real joy either. Through a bland buffering, participatory power is removed from ordinary people.

Both the 'civil economy' tradition and the way it has recently reshaped CST offer some conceptual resources for a new settlement that can harness the creativity of risk-taking while also providing a measure of stability and protection.

3 On the civil economy tradition

The 'civil economy' tradition was inaugurated by Antonio Genovesi, a philosopher-priest from Naples who was a near contemporary of Adam Smith. Genovesi's main economic-political treatise – the *Lezioni di economia civile* (*Lectures on civil economy*, 1765–7) – was a major contribution to debates in the mid- and late eighteenth century on the nature of political economy and on the conditions for the effective production and reproduction of wealth in sovereign states open to international trade. At that time, Genovesi's book was extensively translated and discussed across continental Europe and Latin America, where it was read as a foundational text of political economy like Smith's *Wealth of Nations*.[7] To this day there is no full English translation of the *Lezioni*, but the current revival of interest in Genovesi's ideas has shaped CST (as I will show below).

So what is civil economy about? Arguably, for over 300 years much of modern economic theory has rested on presuppositions such as foundational self-interest and the separation of contract from gift. Genovesi and other Italian economists stand in an alternative tradition that emphasises shared benefit, reciprocal needs and mutual assistance. For this tradition, accordingly, an economic contract itself can be a sympathetic negotiation about shared value and mutual benefit as well as self-interest, which is itself more socially and so realistically construed. To substantiate this argument, it is instructive briefly to compare the thought of Smith with that of Genovesi.[8]

To be sure, Smith was no post-Bentham utilitarian, nor even self-evidently an advocate of 'capitalism'. In reality, he desired a market with few monopolies, modest prices, high wages, a vocational not a purely functional (factory-like) division of labour, and one that tended to return more people to work in the countryside. For these and other reasons it is important not to view Smith either as a precursor of free-market neo-liberalism or as a proto-Keynesian social-democrat. Indeed, he by no means thought that market equilibrium tends to result automatically, and therefore considered that it has to be continually shaped and reshaped by public intervention.

Yet in terms of this notion of a cooperation of the 'invisible hand' of the market with the visible hand of the state, he did to some extent anticipate neo-classical economics, and one could even say that in certain respects he *relied already too much* on government intervention. For he did not allow any direct relational and reciprocal social role for the securing of economic stability. Instead he tended to evacuate the role of society in favour of the power of both the market and the state.

Of course it is the case that Smith still 'embedded' the economy in a network of civil society 'sympathies', even if these sympathies were too much confined to a sympathy with the other person's private needs and feelings, and not enough to do with the co-shaping of a shared sensibility (as for Hume or Genovesi). In the words of Smith:

> [m]en, though naturally sympathetic, feel so little for one another, with whom they have no particular connection, in comparison of what they feel for themselves; the misery of one, who is merely their fellow-creature, is of so little importance to them in comparison even of a small inconveniency of their own.[9]

For this reason Smith did not allow 'sympathies' to enter into the economic contract itself.

Luigino Bruni and Stefano Zamagni are therefore right to conclude that for the Glaswegian professor, '*the market* itself doesn't require them, and works even better without them (hence the praise of weak ties)'.[10] Economic production and trade based on contract are sundered from mutual sympathy and concern for the personal well-being of fellow economic actors. That is why, for Smith, it is not from the butcher's benevolence that one can hope to secure from him a supply of meat. For this reason the notion of 'cooperation without benevolence' negatively links his moral philosophy in *The Theory of Moral Sentiments* to his political economy in *The Wealth of Nations*.[11]

Now it is just here that Genovesi offers a crucially different model, starting with his account of sympathy. He begins his account of the sympathetic ties that bind human beings together by emphasising the importance of the shared ends or finalities that characterise humankind – the quest for the common good and the good life. The notion that connects civil economy to ethics and even theology is *eudaimonia*, in the Platonist and Aristotelian sense of 'holistic' happiness or flourishing. By happiness, Genovesi – rather like Giambattista Vico – means a combination of individual fulfilment of personal talents and mutual flourishing in terms of shared well-being. The ontology that underpins this conception emphasises the relational nature of human beings and therefore rejects the idea that humans are either isolated individuals or subsumed under a single collective. Humanity is neither a bunch of lone egos nor an anonymous mass, rather a complex compact bound together by a common outlook.

In the words of Genovesi, '[i]t is a universal law that we cannot make ourselves happy without making others happy as well'.[12] Ultimately, the latter is grounded in his anthropology that accentuates both ontological bonds and shared ethical obligations. For example, in his 1766 treatise *The Philosophy of the Just and Honest*, Genovesi writes that:

> [we are] created in such a way as to be touched necessarily, by a musical sympathy, by pleasure and internal satisfaction, as soon as we meet another man; no human being not even the most cruel and hardened can enjoy pleasures in which no one else participates.[13]

In his *Lezioni de economia civile* he explicitly connects the relational nature of humans to reciprocal needs and assistance:

> How is man more sociable than are the other [creatures]? [. . .] Every animal unites itself with its like [. . .] but in men there is something more sublime and divine that gives rise to a stronger bond, and that is PIETY [*PIETÀ*], the proper foundation of the human heart [. . .] and reason which calculates an infinite of relations with the ends of our life [. . .]. This reason, I say, discovers to us a reciprocal right to be assisted and consequently a reciprocal obligation to help the others in their needs.[14]

Concerning the economy, which is for Genovesi no exception to the rule that enjoyment inherently involves sympathetic ties, this means that you and your butcher might well care about each other as people bound together by ties of sympathy, and this tends to influence even economic transactions: 'for contracts are bonds and civil laws are [. . .] also compacts and public contracts'.[15] This statement

suggests that, for Genovesi, there is not strict distinction of formal law and individual agency, since both must always be informed by what he calls 'public faith' (*fede pubblica*). The latter is defined in the following terms: 'Public trust is therefore a bond that ties together and binds persons and families of one State to one another, with the sovereign or other nations with which they trade.'[16] Put differently, public faith is not so much the aggregation of private trust – or individual fate, as for Machiavelli – as a kind of universal sympathy that includes a commitment to the common good.

In short, one can see how, for Genovesi's civil economy model, the market itself remains more social and more directly mediated by interpersonal relationships. He thinks that a productive and efficient economy must allow for a complex mixture of self-interest and concern for the well-being of others. So although Genovesi recognised, like Smith, that intentions can lead to unexpected outcomes, he followed his teacher Vico in thinking that there was more continuity between original intention and unexpected end than Smith's moral theory allowed.

Market in Grantham during the Middle ages, CC Licence

The crucial concepts that distinguish the Neapolitan civil economy tradition from Scottish political economy are those of reciprocity and civil virtue within the market domain itself. Reciprocity shifts the emphasis away from the 'cash nexus' to the social nexus (Thomas Carlyle). For Genovesi, society is not primarily about the division of labour and the harmonious balancing of rival self-interest in the marketplace (as for Smith). Rather, human beings have mutual needs that can only be satisfied through mutual assistance. In consequence, the Neapolitan philosopher-priest can allow that economic activity is basically a pursuit of well-being and yet understand this pursuit to have an innately cooperative dimension, which is not just a moralistic supplement, rather an expression of virtue – the ethical extension that is part of each economic decision.

4 Caritas in Veritate

CST has renewed and extended the tradition of virtue and the common good by embracing the idea of a civil economy. In his social encyclical *Caritas in Veritate*, Pope Emeritus Benedict XVI writes that 'the exclusively binary model of market-plus-state is corrosive of society, while economic forms based on solidarity, which find their natural home in civil society without being restricted to it, build up society.'[17] Rather than defending civil society in its current configuration as a third sector separate from both state and market, this argument is about re-embedding 'market-states' in a wider network of social relations governed by virtues such as solidarity, fraternity and justice.

Key to an ethical economy is to connect the logic of contract with that of gratuitousness or gift. Here it is instructive to draw on recent work in the field of anthropology, notably the work of the French anthropologist Marcel Mauss on the gift. He and disciples, including Jacques Godbout and Alain Caillé, have developed an anti-utilitarian economics of gift-exchange that shows how commercial contract and market exchange can only work efficiently and justly within a wider gift

economy. This approach rejects utility and commodification in favour of real worth that fuses material value with symbolic significance – without which individuals, groups and societies cannot flourish.

For CST to help produce an ethical economy, it is important to connect not only contract with gift but also rights with obligations. Ever-greater individual rights and economic contract alone cannot deliver security, prosperity and human flourishing for the many. That is why there is a need to invent or discover new, more participatory modes of self-restraint and responsibility, and of economic justice and shared well-being. *Caritas in Veritate* puts this well:

> The link consists in this: individual rights, when detached from a framework of duties which grants them their full meaning, can run wild, leading to an escalation of demands which is effectively unlimited and indiscriminate. An overemphasis on rights leads to a disregard for duties. Duties set a limit on rights because they point to the anthropological and ethical framework of which rights are a part, in this way ensuring that they do not become licence. Duties thereby reinforce rights and call for their defence and promotion as a task to be undertaken in the service of the common good.[18]

So in short, it rejects the impersonalism of the social contract between isolated individuals and the mere pursuit of either private happiness or public utility. Instead of the separation of contract from gift, this alternative proposes gift-exchange or social reciprocity as the ultimate principle to govern *both* the economic and the political realms. Risk- and profit-sharing models can mitigate systemic dangers while also providing more opportunities for ethical enterprise that is good business.

There is a fundamental difference between the market economy per se and capitalism as its arbitrary distortion. The former means functionally the division of labour, the freedom to work and to trade, to enjoy reasonable returns on investments and make reasonable profits that are both justified in terms of degree of input, risk undergone, benefit secured and ultimate social well-being. It means teleologically the attempt to increase wealth in the real sense of trying to improve human life – make it more comfortable, exciting, various and fulfilling by entangling risk in interpersonal relations and productive activities that offer real value (goods and services that cater to the needs of society).

Thus a pure market economy per se can properly be described as a civil economy that really does pursue the common good: the good of each and every one of us as we concretely are in our families, workplaces, communities and associations. Such an economy is not 'capitalist' in the sense of regarding the accumulation of abstract and aggregate 'wealth' as its proper goal, nor in the sense of imagining that the typical economic actor simply pursues the same goal for himself along with other modes of self-gratification.

The civil economy tradition and CST repudiate the modern, liberal separation of private from public goods in favour of 'relational goods' that are shared by people, such as participation in joint activities that depend on continuous interaction, not one-off transactions. Connected with this is a renewed emphasis on notions of the common good – not utility or happiness: the latter two merely denote the felicity of people one by one or as an abstract aggregate, whereas the former captures the real relationships and the good of each and everyone in terms of their specific embeddedness in the complex webs of trust and reciprocity. The common good exceeds the sum total of all individual goods and services *precisely* because it encompasses the mutually augmenting relationships whose reality is greater than the sum of its individual parts.

5 Some ideas for a new economic model

Faced with both paralysing risk aversity and reckless risk-taking, the alternative is to re-embed the economy in interpersonal relationships that involve the risk of encounter – meeting the other in their unpredictable freedom and being both wounded and blessed by the bond of reciprocity. In this manner we can perhaps begin to reconnect risk to the pursuit of shared ends such as the common good.

Reinstate anti-usury arrangements

Usurious interest rates allow banks and other financial institutions, such as payday loan companies, to make profits that are vastly disproportionate to the economic and social contribution of their lending activities and their risks. They also take advantage of the financial distress of many people, who are left with no choice but to take out credit at interest rates that are economically inefficient and ethically indefensible. Therefore the lending of money needs to be tied as much as possible to real investment, and banks made stakeholders and therefore risk-carriers in the enterprises they fund. In line with the principle of reciprocity, a truly ethical economy would establish the sharing of risk and reward in all financial transactions – including house mortgages – between lenders and borrowers, investors and owners, shareholders and managers, employers and employees. In order to transcend capitalism's simultaneous abstraction and materialisation, at every level financial sign needs to be reconnected with material power in order to prevent the speculative, social and ecological threats of their disjuncture.

Lenders of money, from high-street banks to building societies, should as much as possible be re-regarded as investors in the businesses they purport to back: as part-liable for the risks incurred by borrowers on the one hand, but also as co-partners and advisors in the enterprises borrowers undertake on the other. This would involve a mutualisation of banking and real-estate financing wherever possible. A loss of excessive economic power would be balanced for such bodies by an increase in social power, provided this is linked to an increased exercise of social responsibility. Equivalently, a slight loss of economic autonomy for the individual owner is balanced by three elements: greater shared economic security; heightened rights to a stake in the success of the bank to which one belongs; an increase of influence over community agreements about the shape of the built environment and collective projects of many diverse kinds.

Hence such proposals retain the realism of an appeal to collective and individual interest, yet also require a cultural transformation in which people somewhat modify their aspirations – even trading some isolated power to choose against an increase in social power and community involvement. Since the latter allows more complex psychological satisfaction and more intense social recognition and conviviality, such a transformation is by no means inconceivable. But while it can be encouraged at the political level through new incentives and rewards, in the end this change in ethos requires a cultural renewal. And people cannot opt for what they have never been offered. The realism of renewal is that it must perforce begin among a minority, whose convictions can, nevertheless, realistically prove contagious if they begin to be successfully exemplified in practice.

As to investment in manufacturing and other productive enterprises, the primacy of short-term shareholder value needs to be replaced with a legal requirement that companies pursue primarily a clearly stated purpose of long-term economic and social benefit. This is not, however, to be taken as a simple attack on the shareholder; rather it would necessarily involve a favouring of the longer-term over the short-term shareholder – whose holding today may sometimes be a matter

of indifferent seconds. Longer-term investment would be made more attractive in terms of both higher and securer dividends, and an increased measure of responsibility for the firm, which would tend to hold in check any executive exploitation. Equally executives would be more empowered to guard against rogue shareholders who have not identified their own with the corporation's interest.

Just wages, just prices and the distribution of assets

As part of this cultural alteration, the divorce of the meaning of material market 'growth' from its root meanings of organic, moral and spiritual growth should be called into question.

If we could collectively imagine a shared scale of priority in desiring, we would also remove the scarcity-driven oscillation between relative emphasis on the respective imperatives of consuming and production, demand and supply. For this shared scale would tend to infuse into transactions – prices, wages, shares – a greater sense of its natural justice, over and above prevailing market conditions. We could then have some sense of a 'proper' price paid for a thing of such and such moral as well as economic value; of a 'proper' wage or salary paid for such and such a social task involving different degrees of talent, labour, scope, risk and need for a strenuous exercise of virtue; of 'proper' shares in a firm as between the appropriately weighed contributions of owners, managers and workers.

All these things need first and foremost to become habitual through the growth of a new ethos. But at the same time they should at the limits of claimed infraction come within the purview of law and judicial debate. For once a company is required to have a social as well as an economic purpose, then all contractual exchanges should by law be equitable as to substantive content as well as to formal consent. Subsidies to large corporations need reducing in any case, but where corporations of all sizes are in any way subsidised, then the degree of subsidy needs to be indexed to the degree of just economic practice. By the same token, purely financial transfers need to be taxed much more severely, and the proceeds given to the encouraging of research, technological and manufacturing development.

Far from this all this being an infringement of freely entered-into contract, it is its very precondition. For where a contract is in any way unjust, or finally lacking in substantial purpose of human benefit, then this implies that some element of risk-taking, or of committed labour or of valid desire, has been alienated and removed in a unilateral and coercive fashion by one party from the process of market exchange itself.

Fostering virtuous enterprise

The dominant business model of most advanced economies is based on two elements: (1) individual incentives that influence *ex ante* motivation – whether in the form of private sector performance-related pay and bonuses or public sector policies 'nudging' our behaviour towards greater efficiency and happiness; (2) individual rewards, usually conferred without regard to social, ecological or ethical purpose. The problem of the underlying logic is fourfold: first, it sunders *ex ante* motivation from *ex post* outcomes, which leads to the perverse situation of rewarding failure (bonus payments and golden handshakes even in cases of bankruptcy); second, it privileges private self-interest and views social benefit merely in terms of indirect, unintended outcomes; third, it designs incentives purely in extrinsic ways, and reduces the question of reward to a principal–agent relation whereby the principal rewards the agent and makes herself better off too (e.g. top management and large

shareholders); fourth, it separates monetary from non-monetary rewards, which divorces material value from symbolic worth.

In order to change all this, the idea that economic ends are not inherently ethical ones needs to be challenged. It is crucial – as will be argued below – that virtue be pursued for its own sake. Yet at the same time, virtuous behaviour may yield pleasure or even profit while also making a contribution to the common good. For this reason it is not inappropriate that it can also be publicly be encouraged by monetary recompense (e.g. tax breaks, preferential treatment in terms of government procurement or public service tenders).

6 Concluding remarks

This is the new story that a political economy of virtue might be able to tell – a story whose narrative logic points to a new mode of action. The centre of this action must be linkage of cultural renewal and civic pride with economic recovery. Instead of relying mainly on state redistribution, we need to forge an economy that operates justly and fairly in the first place: both through the internal ethos of firms and professional associations as well as through a new legal framework that demands that every business deliver social benefit as well as reasonable profit.

But this does not imply that the state has no role. We need a new notion of the 'public' that slides between the social and state-direction or answerability. It is here that at the centre of the emerging post-liberal programme could stand the idea not of tactical government intervention but of the strategic shaping of new economic institutions: for example of private/public partnerships in infrastructural and public-service broadcasting projects (now being disgracefully dismantled in the UK, as with Eurostar and Channel 4); national research-banks; technology trusts to promote and share new knowledge at the service of human needs; systems of apprenticeships; of entry conditions to work through the operation of professional bodies; of new technical colleges offering a hybrid training that combines academic knowledge with vocational learning; more visionary business schools; regional banks; partnerships between such banks, local business and new city-based parliaments; and renewed guild halls that could help not just with the exchange of good practice but also with new forms of cooperation in terms of ethical certification and greater ties between ethical enterprises across local, regional and national borders.

Notes

1 Ulrich Beck, *World at Risk* (Cambridge: Polity Press, 2009), p. 81.

2 Christopher Coker, *War in an Age of Risk* (Cambridge: Polity Press, 2009), p. ix.

3 Coker, *War in an Age of Risk*, p. 73.

4 John Milbank and Adrian Pabst, 'The Meta-crisis of Secular Capitalism', *International Review of Economics* 62:3 (2015), pp. 197–212.

5 For a longer exposition of the concept of 'metacrisis', see John Milbank and Adrian Pabst, *The Politics of Virtue: Post-liberalism and the Human Future* (London: Rowman & Littlefield International, 2016), pp. 1–67.

6 Luigino Bruni, *The Wound and the Blessing: Economics, Relationships, and Happiness*, trans. N. Michael Brennan (New York: New City Press, 2007).

7 Within 20 years the *Lezioni* had been translated into a variety of foreign languages. The German translation by August Witzmann, which had been dedicated to a group of young Russian aristocrats studying in Leipzig, became a

standard economics textbook at German universities, while the Spanish translation by Victorian de Villava exerted a similar influence on the early teaching of political economy at Spanish institutions. By the early nineteenth century there was also a partial translation into French by M. Pingeron and one into Portuguese by Ricardo Nogueira. Genovesi's *Lezioni* became part of the political economy curriculum in several Spanish American universities and guided the early economic development strategy pursued by the Argentinian Republic immediately after her declaration of independence in 1810. See Adrian Pabst and Roberto Scazzieri, 'Virtue, Production and the Politics of Commerce: Genovesi's "Civil Economy" Revisited', *History of Political Economy* (under review).

8 The following sections draw on Adrian Pabst, 'Political Economy of Virtue: Antonio Genovesi's "Civil Economy" Alternative to Modern Economic Thought', *European Journal of the History of Economic Thought* (under review).

9 Adam Smith, *The Theory of Moral Sentiments* (New York: Prometheus, 2000), Part II, sec. 2, ch. 3, p. 125.

10 Luigino Bruni and Stefano Zamagni, *Civil Economy: Efficiency, Equity, Public Happiness* (Bern: Peter Lang, 2007), p. 106; emphasis original.

11 Smith, *Theory of Moral Sentiments*, Part II, sec. 2, ch. 1—3, pp. 112–32 and part VI, sec. 1–2, pp. 307–48; Adam Smith, *An Inquiry into the Nature and Causes of the Wealth of Nations* (London: Random House, 1991), part I, sec. 2, ch. 2.

12 Antonio Genovesi, *Discourse about the True Ends of the Arts and Sciences*, in *Genovesi: Autobiografia e Lettere,* ed. Giovanni Savarese (Milan: Feltrinelli, 1962), p. 449.

13 Antonio Genovesi, *On the Philosophy of the Just and Honest* (Milan: Marzorati, 1973), p. 42.

14 Antonio Genovesi, *Lezioni di commercio o sia di economia civile*, ed. Francesca Dal Degan (Milan: Vita e Pensiero, 2013), part I, ch. 1, §XVII, p. 22.

15 Genovesi, *Lezioni di commercio*, part II, ch. 10, §1, p. 341; emphasis original.

16 Genovesi, *Lezioni di commercio*, part II, ch. 10, §1, p. 341, n. 121.

17 *Caritas in Veritate* §39.

18 *Caritas in Veritate* §43.