Chapter 2

HUMAN FLOURISHING, THE COMMON GOOD, AND CATHOLIC SOCIAL TEACHING

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Something is profoundly wrong with the way we live today. For 30 years we have made a virtue out of the pursuit of material self-interest: Indeed, this pursuit now constitutes whatever remains of our sense of collective purpose. We know what things cost but have no idea what they are worth. We know longer ask of a judicial ruling or a legislative act: Is it good? Is it fair? Is it just? Is it right? Will it help to bring about a better society or a better world? Those used to be the political questions, even if they invited no easy answers. We must learn once again to pose them.

Tony Judt, Ill Fares the Land

This chapter’s title betrays its intention. It makes three claims. First, that human beings are by their nature oriented toward eudaimonistic notions of happiness, and this is intimately tied to the common good. Second, that with the post-Enlightenment turn toward the individual, political and economic developments have stripped the common good of all substantive content. Third, that by restoring the centrality of the common good, Catholic social teaching offers a path toward authentic human flourishing in the context of the modern global economy.

Eudaimonia and The Common Good

It is our contention that human beings are inclined to seek a deeper sense of happiness than mere hedonistic notions of pleasure and the absence of pain. This is the eudaimonistic notion of happiness, and it centers on human flourishing, prioritizing living well and actualizing one’s potentials through personal development. Eudaimonia focuses on living in accord with what is intrinsically worthwhile to human beings—purpose, meaningful relationships, good health, and contribution to the community. Martha Nussbaum defines it as “a kind of living that is active, inclusive of all that has intrinsic value, and complete, meaning lacking in nothing that would make it richer or better.”

Alasdair MacIntyre is more succinct: eudaimonia is “the state of being well and doing well in being well.”

To fully appreciate eudaimonia, we must understand its roots in Aristotle’s virtue ethics—centered on his teleological worldview whereby all things have a telos or a purpose. And since human beings are distinguished by their capacity for reason, their purpose is to successfully exercise reason embodied in the virtues, both intellectual and moral. Exercising the virtues in accordance with excellence is a necessary condition for achieving eudaimonia, for a life well lived, which Aristotle conceived of as a lifelong quest. Clearly, this cannot be equated with wealth—as Aristotle himself said, “Wealth is obviously not the good that we are seeking, because it serves only as a means; i.e. for getting something else.”

A teleological view of human nature is inherently dynamic. In the words of moral and political philosopher Alasdair MacIntyre, this teleological view maps out the journey between “man-as-he-happens-to-be” and “man-as-he-could-be-if-he-realized-his-essential-nature.” Aristotelian virtue ethics is about transitioning from the former to the latter—to help people become who they are meant to be. This presupposes that we are not born virtuous. The virtues can only be achieved through education or habitual exercise.

Another key aspect of the Aristotelian view of happiness is that the good life is a life of relationships. Human beings seek not only the good life for themselves, but the good life with others. This sense of mutual flourishing is embedded in the notion of the common good, which Jesuit theologian David Hollenbach defines as “the good realized in the mutual relationships in and through which human beings achieve their well-being.” Thus the individual and the common good are inseparable, and the whole is
greater than the parts. And while the common good is distinguished from the good of the individual, furthering the common good in turn furthers the good of the individual.\(^9\)

Accordingly, the good life is the telos not only of the individual but of the political community, too.\(^10\) And this actually is the highest good—as Aristotle put it, “If all communities aim at some good, the state or political community, which is the highest of all, and which embraces all the rest, aims at good in a greater degree than any other, and at the highest good.”\(^11\) This is an expansive vision of a “good society”—the sum\(\text{mum bonum}\)—and social institutions are called upon to support and direct themselves toward this good.

In recent times, Alasdair MacIntyre sought to ground the Aristotelian framework more explicitly in a teleological view of human psychology.\(^12\) To this end, he defines the all-important concept of a practice as “any coherent and complex form of socially established cooperative human activity through which goods internal to that activity are realized.” In MacIntyre’s view, human beings seek to excel in practices, which means subordinating themselves to their norms and expectations, and acquiring the virtues that enable them to achieve the goods internal to practices. This approach reflects a basic psychological need in human beings to seek intrinsic rewards within the social context. It is a conception by which the self is situated in particular social worlds, and in which the goods intrinsic to the practice feed into the common good of society.

Is this relational and teleological view of human nature convincing? Some would argue that it is naïve and out of date, having been superseded many times over. Yet in a very real sense, the old is new again, especially in light of the burgeoning interest in happiness and well-being, combined with an increasing realization that something has gone dramatically wrong with our social and economic interactions.

The empirical evidence from happiness studies offers some support for this view. The \textit{World Happiness Report} itself shows that differences in happiness across countries can be accounted for by six key variables—income per capita, healthy life expectancy, social support, freedom to make life choices, generosity, and the absence of corruption. This evidence tallies with the Aristotelian idea that money cannot buy happiness, and that happiness makes little sense outside of our human interactions. While the results are based on subjective well-being—measured as both immediate emotional satisfaction and overall sense of life satisfaction—they nonetheless point toward broader eudaimonistic notions of happiness in the sense that: (i) human beings are social and relational; (ii) human beings are purposeful and teleological.

Other supportive evidence comes from the psychological literature, affirming the strong pro-social tendencies of human beings, including through empathy and compassion.\(^13\) Empathy is the ability to put oneself in another’s shoes, to enter into resonance with the other in a way that dissolves interpersonal differences. Some claim that humans are hardwired to link empathically with others.\(^14\) Compassion runs deeper. It involves not only being sensitive to the emotions of others, but actually caring about them, being motivated to help them when they are in need. Compassion does not require empathy, but empathy can spark compassion. Furthermore, while it is possible to reach “empathy fatigue,” this is never the case with compassion.\(^15\) This is closely related to Amartya Sen’s distinction between “sympathy” and “commitment.”\(^16\) For Sen, “sympathy” plays the role of empathic connection, and the response can actually correspond to self-interest. Not so with commitment, which is less about empathic connection and more about an other-regarding response to rectify a wrong—and which prompts the person to act in a way that leads to lower personal welfare than an alternative option.
One conclusion, therefore, is that human beings have strong tendencies toward altruism—even toward strangers or in large groups. Matthieu Ricard lists two essential components of altruism—valuing the other and being concerned about his or her situation. This altruistic attitude manifests itself as benevolence toward others and a willingness to take care of them. Altruism does not necessarily require sacrifice, although it frequently rises to heroic dimensions. Adam Smith summed up this innate tendency toward altruism well when he wrote that “how selfish soever man may be supposed, there are evidently some principles in his nature, which interest him in the fortune of others, and render their happiness necessary to him, though he derives nothing from it except the pleasure of seeing it.”

There is copious evidence for the deeply relational nature of human beings. Studies tend to confirm that of the determinants of happiness, relatedness is nearly always near the top of the list. Quite simply, social engagement makes people happy. For example, studies have shown that a sense of belonging to community has the same effect on life satisfaction as trebling of household income. Some would actually argue that the very idea of happiness makes little sense in an atomistic context. “It takes (at least) two to be happy” as Stefano Zamagni put it. Relationship is so central to well-being than researchers are paying increased attention to so-called “relational goods,” long neglected in modern economics. These are goods that can only be enjoyed if shared reciprocally, are characterized by gratuitousness, and where the source of the good lies in the relationship itself. And as intrinsically worthwhile, possession of these goods contributes to eudaimonia.

A lot of the evidence that human beings act on pro-social inclinations comes from studies of economic games that typically involve a division of resources. These games suggest at least three conclusions. First, people value fairness. Even when there is no possibility of retaliation, they will share rather than seek maximal gain for themselves. Second, when there is a possibility of retaliation, people tend to split the pile evenly and reject offers perceived as unfair, even if this entails a personal loss. Third, people trust and reward trust—pro-social behavior has a “multiplier effect.”

These results point to strong social norms surrounding altruism, fairness and reciprocity. People reward trust and kindness, and they punish cheating and callousness. Samuel Bowles and Herbert Gintis argue that human beings are motivated by “strong reciprocity,” which they define as a “propensity to cooperate and share with others similarly disposed, even at a personal cost, and a willingness to punish those who violate cooperative and other social norms, even when punishing is personally costly and cannot be expected to result in net personal gains in the future.” This implies that humans desire cooperation for mutual benefit—and this can often mean foregoing the maximum personal benefit to give something to others, trusting that such a blessing will be returned. This is the way social capital is generated and nurtured. Indeed, strong reciprocity has the potential to lead almost universal cooperation, but this depends crucially on the enforcement of social norms.

The question remains: what explains these other-regarding tendencies? A common answer is evolution. The hypothesis is that elements of altruism proved useful in the early development of the human species, and so natural selection endows us with certain “altruistic genes.” The starting point is the importance of parental nurture, and humans experience a longer childhood than other animals. One dominant theory is “kin selection”—the idea that a gene survives and reproduces when others who bear that same gene survive and reproduce. Others have stressed “reciprocal altruism”—the idea being that the repeated nature of interpersonal interaction gives rise to mechanisms for rewarding cooperation and punishing cheating or free riding.
But others still think “group selection” is a more likely candidate, as the other theories have difficulties explaining the evolution of altruism in large groups. This is the idea that human groups excelling at cooperating and upholding moral norms gained an advantage over other groups—as E.O. Wilson puts it, “selfish members win within groups, but groups of altruists best groups of selfish members.” The proponents of this view argue that early humanity was characterized by inter-group conflict and faced severe environmental challenges. This predominance of inter-group conflict therefore gives rise to something like strong reciprocity. It suggests that ethical behavior is hardwired, and is not merely a means toward personal gain.

In further support of the evolutionary approach, there is a lot of evidence that animals and babies can exhibit altruistic tendencies. And young children tend to have a strong “equality bias.” But there are limits. Animals are far less inclined to show benevolence toward strangers. Children only start to really hone their pro-social instincts, through sharing for example, when they grow older—suggesting that socialization plays a key role.

So while the evolutionary basis for altruism has its merits, it also has its limitations. And our evolutionary inheritance comes with a dark side. Humans have a strong tendency to separate into “in” and “out” groups, and experiments show that the thresholds for group loyalty can be very low. This can lead to demonizing the other, which in extreme cases leads to denying their humanity. For example, the emotion of disgust, which many think evolved to protect us from parasites and pests, can be perverted and turned against people in the out group.

It is clear, then, that nature endows us with both pro-social and anti-social instincts. Human beings are capable of the heights of kindness and the depths of brutality. They are capable of being “primed” to act in certain ways. This demonstrates the limits of basing moral decisions on mere sentiments or gut feelings. Sentiment must be tempered by the exercise of reason. This, after all, was the insight of Aristotle, whose theory of flourishing is founded on the notion that the exercise of reason is proper to humans, what distinguishes us from animals, and from untutored children, too. Stephen Pinker argues persuasively that reason alone can extend the reach of empathy beyond favored groups to the whole of humanity.

We have argued so far that the relational dimension of eudaimonia coheres with human nature. But what about its other pillar—purpose, meaning, self-actualization? Here too, the evidence is supportive. Studies have shown that people exhibit a “teleological bias,” or a “general cognitive bias to view the world in terms of agency, purpose, and design.” Martin Seligman, one of the leaders of the “positive psychology” movement, argues that human flourishing is related to five distinct factors: (i) positive emotion, which is mainly genetic, but can be boosted by training; (ii) engagement, which happens when a person’s highest strengths match the highest challenges that come his or her way; (iii) relationships; (iv) meaning and purpose in life; and (v) accomplishment and achievements. Three of these five core factors support a teleological view of the structure of human psychology. Similarly, “self-determination theory” posits that three basic psychological needs are fundamental to eudaimonia—autonomy, competence, and relatedness. Again, these tally with our two building blocks of human flourishing: a sense of purpose and a sense of community.

The loss of the common good

We have argued that since the flourishing of the individual and the flourishing of the community are interlinked, then eudaimonia points toward the common good. This is a “good” that we all strive for, and it is a good that we hold in “common.” Yet with the emergence of modernity, this
understanding broke down. Why did this happen? A full and thorough answer to this question is beyond the scope of this chapter. Yet it is worth highlighting some of the broad trends that led to the great turn away from the common good.

There is no clean consensus on this. Some trace it to the Enlightenment directly, others to the Reformation or the fall of Renaissance-era civic humanism. But others go back before that, and point to the so-called nominalist revolution in the 14th century. Until that point, the teleological framework inherited from the Greeks remained largely intact. Thomas Aquinas, the greatest of the medieval Christian theologians, followed Aristotle’s eudaimonistic conception of happiness, but gave it a two-fold structure, proper to the ends of human beings—the natural end, attained by exercising the moral and intellectual virtues, and the supernatural end, requiring divine assistance through the theological virtues.

This worldview was upended by the nominalist revolution. What nominalism did was deny the reality of universals. For the followers of Aristotle, universals were real, and individual beings were particular instances of these universals. But for the nominalists, reality consisted of individual or particular things. This seemingly arcane philosophical point had enormous practical implications. It meant that the natural order was now seen as comprised of individuals and particulars, and hence could no longer be conceived in teleological terms. Human beings therefore had no telos. They were no longer oriented toward the good, a good held in common, because without universals there could be no universal ends. Instead, every human being was now seen as radically individual, sustained only by the will of an omnipotent God who is himself unbound by any natural laws. And like God, human beings were seen as motivated by the will.

This radical shift, in turn, provided fertile ground for the Enlightenment. Breaking it down, the Enlightenment has two key tenets. The first is the emphasis on using science to gain knowledge and control over the natural world—and in doing so, attain progress and better the lives of people. The second is the focus on the autonomous individual, which displaced the common good as the summum bonum. This new worldview was epitomized by Rene Descartes, who saw the human being as a self-defining individual. For Descartes, the task of humanity was to become “masters and possessors of nature.”

This metaphysical account of the birth of the Enlightenment is not the sole account. Brad Gregory, for example, superimposes a political dimension, arguing that the real turning point came with the Reformation. His point is that because the Reformation made it impossible to reach doctrinal agreement, the eventual solution was to privatize religion and shift toward “objective reason”—which, in turn, spurred the advent of science and a political and economic system predicated on individual rights. In Gregory’s account, the nominalist revolution might have facilitated this shift, but politics was clearly in the driver’s seat. But whatever path is emphasized, the end point is still the abandonment of a shared conviction about the good life.

This quickly starts to show up in the leading political theories of the day. Thomas Hobbes, for example, was vigorously opposed to Aristotle’s conception of the good life. His starting point was a world of autonomous individuals who, instead of cooperating for common good, were inclined toward conflict—leading to a “war of all against all” in which life was “solitary, poor, nasty, brutish, and short.” In other words, rather than Aristotle’s summum bonum, the social life was for Hobbes a summum malum, the supreme evil, and the only escape was for autonomous individuals to voluntarily cede their power to an absolutist sovereign. In short, Hobbes might be regarded as the “anti-Aristotle,” an extreme case of what can happen when individuals are disconnected from a common purpose.
Yet this is a particularly dark view, no doubt informed by Hobbes’ experience of living through a period of major political and climatic upheaval. The ideas of his contemporary John Locke proved sunnier. Locke argued that cooperation should be governed by a social contract, which he saw as a voluntary agreement between autonomous individuals. He also honed the idea of individual freedom, defined in a negative sense as freedom from coercion. Importantly, Locke’s theory of individual rights flowed directly from the voluntarism that is a natural consequence of a nominalist worldview. For just as God “owns” human beings because he created them, so human beings can “own” whatever they create, so long as they do not violate God’s will as embedded in the natural law. This notion of the “free” individual who is the author of a voluntary social contract proved enduring. The Aristotelian conception of natural sociability is replaced with the idea that society is held together by an artificial pact.

This turn toward the individual was also reflected by the Utilitarians. While utilitarianism was a teleological philosophy, identifying the good with the greatest happiness of the greatest number, it nonetheless viewed society as an agglomeration of individuals, rejecting the notion of the common good. As Jeremy Bentham said with his trademark bluntness: “The community is a fictitious body, composed of the individual persons who are considered as constituting as it were its members. The interest of the community then is, what?—the sum of the interests of the several members who compose it.” Utilitarianism also delivered a mortal blow to eudaimonistic notion of happiness, by turning toward a crude form of hedonism.

From an early stage, utilitarianism was criticized for failing to adequately respect the differences between people, and for its seeming willingness to ride roughshod over individual rights to achieve the general happiness. For this reason, John Stuart Mill sought to make utilitarianism compatible with individual rights—he argued that freedom from coercion, provided one’s actions do not harm another, was the surest route to happiness, at least in the long run. This melding of (negative) freedom with utility would prove enduring, influencing in particular the development of modern economics.

A defining feature of this post-Enlightenment settlement was the dethroning of the (common) good in favor of the (individual) right. This was given even greater force with the advent of Immanuel Kant’s deontological framework. This framework was predicated on the notion that people are free and independent agents who must choose their own ends. To insist on some particular conception of the good would be to impinge upon their autonomy. A direct implication of this is that “the right is prior to the good,” meaning that individual rights should not be sacrificed for the common good, and—even more than this—that the very principles of justice animating these rights should not presuppose any particular conception of the good life. Otherwise, it would fail to give due respect to the individual as an end in himself.

This elevation of the right over the good is deeply embedded in the modern worldview, and it transcends the right/left divide. Modern egalitarianisms, for example, tend to stress individual autonomy over altruism. John Rawls, the major proponent of this kind of egalitarianism, was a Kantian through and through. His egalitarianism stems from his views on the moral desert of market outcomes. By claiming that differences in assets and talents among people boil down to mere luck, he concludes that they are not attached to any moral desert. From this, he asks what autonomous individuals would choose under fair conditions (conceptualized by the famous veil of ignorance in the original position). His answer is that justice would lean egalitarian, permitting social and economic inequality only to the extent that it benefits the least-advantaged person. This is not altruistic—it is based on each person choosing out of self-interest, on the understanding
that they themselves might be the least-advantaged person.

Of course, libertarians dispute these conclusions, but they do so on the same terrain. Robert Nozick, for example, argued that anything more than a minimal state “violates persons’ rights not to be forced to do certain things, and is unjustified.”54 Thus Nozick contends that the libertarians are the true heirs of Kant, as they are the ones refusing to treat individuals as merely a means rather than an end. At the crux of the libertarian idea is the radically individualistic notion of self-ownership—and if people own themselves, they are entitled to the fruits of their labor.55

In this sense, both Rawlsian egalitarianism and Nozickean libertarianism stem from the same individualistic root. As Alasdair MacIntyre put it, “It is, from both standpoints, as though we had been shipwrecked on an uninhabited island with a group of other individuals, each of whom is a stranger to me and to all the others.”56 Yet even so, it is not hard to see that libertarianism is far more socially destructive, far more antithetical to the common good, than is Rawlsian egalitarianism. For while Rawls rejects the idea of a common good, his conclusions nonetheless mimics aspects of it. Not so with the libertarians. As Nozick himself said, “There is no social entity with a good that undergoes some sacrifice for its own good. There are only individual people, different individual people, with their own individual lives. Using one of these people for the benefit of others, uses him and benefits the others. Nothing more.”57 This kind of hyper-individualism reached its degenerative apotheosis with Ayn Rand, who regarded selfishness as the supreme virtue.

In later work, John Rawls recognized the clear limits of the Kantian metaphysical framework.58 His mature views held that people differed not only in their conceptions of the good, but also in their motivating moral convictions. For Rawls, the highest virtue was tolerance. When people enter the public square, they are asked to respect pluralism, to support an “overlapping consensus” whereby people can agree on principles of justice for different reasons. But this is a tall order. It asks the citizen to live a bifurcated life, and is naïve to assume that people can agree on principles that are entirely disconnected from conceptions of the good life.59 Rawls also explicitly rejects the idea of a common good, which he argues is “no longer a political possibility for those who accept the constraints of liberty and toleration of democratic institutions.”60 For Rawls, with echoes of Hobbes, this could only be accomplished by an oppressive state.

What these worldviews all have in common is the notion of what political philosopher Michael Sandel calls the “unencumbered self”—“a self understood as prior to and independent of its purposes and ends.”61 Such a person has no ties to the community, and is not bound up in any conception of a common good. In such a context, Margaret Thatcher’s famous quip that “There are individual men and women and there are families...there is no such thing as society” makes perfect sense.

So far, we have attempted to paint, in broad-brush strokes, some of the main developments in political philosophy since the Enlightenment. We will now turn to parallel developments in the field of economics. Modern economics is typically traced to Adam Smith’s proposition that the benefits of market exchange stemmed from self-interest rather than benevolence. Yet Smith’s views were more nuanced than is often appreciated, and were at least partially rooted in older traditions of virtue ethics.62 In fact, Smith’s point about self-interest is limited to the narrow question of exchange, rather than broader issues of distribution or production.63 More generally, as noted already, Smith was a major proponent of altruistic motivation in societal interaction, encompassing “generosity, humanity, kindness, compassion, mutual friendship and esteem, all the social and benevolent affection.”64
It makes sense to trace the roots of modern economics to utilitarianism, but a particularly crimped form of utilitarianism—one that rules out interpersonal comparisons. Pareto, one of the early pioneers, held that there was simply no objective way to compare utility across different people. He insisted on taking people’s tastes and preferences as given, bracketing the question of whether they contributed to human flourishing. For this reason, he was vigorously opposed to the idea of economics “taking morality into account,” which he said would be “like accusing the theory of the game of chess of not taking culinary art into account.”

Pareto’s big breakthrough was to show that the market made interpersonal comparisons of utility redundant. People could now reveal their preferences through market trades—what Pareto referred to as the “measuring rod of money.” The “good” is now simply equated with satisfaction of preferences, and the market is “efficient” in the sense that it exhausts all voluntary trades that can satisfy these preferences. And following these insights, economists derived the so-called welfare theorems, heralding the virtues of unfettered and competitive markets in leading to the most efficient outcomes.

Neoclassical economics therefore developed as a strange stepchild of utilitarianism and libertarianism. Such a framework is not really compatible with the eudaimonistic notion of happiness rooted in the common good. It is egotistical rather than altruistic, assuming that people are motivated solely by satisfying their own desires and preferences. It is materialistic, equating happiness with the consumption of goods and services acquired through market transactions, discounting relational, cultural, and spiritual goods. And it takes people as they are—or as they are assumed to be—with regard to their tastes and preferences, with no role for self-improvement brought about by the cultivation of the virtues.

It is our contention that *homo economicus*, this self-centered, utility-maximizing robot, is not only unnatural—or even a “social moron”—but also dangerous. It teaches people to think that the best pro-social behavior is actually anti-social behavior. As Clifford Longley puts it, it is an “alchemy” that aims “to turn bad into good, dross into gold.” This matters because the psychological literature confirms that people can be primed to think and act in a certain way. In this case, evidence from economic games shows that economists and economics students differ consistently from everyone else—they are more selfish and less pro-social. And when bankers are primed to think of themselves as bankers rather than inhabiting other social roles, they are more inclined toward dishonesty. Again, this goes back to the insights of Aristotle—vice as well as virtue can become habituated.

Where does all of this lead us? According to Alasdair MacIntyre, it leads to an emotivist culture. By emotivism he means “the doctrine that all evaluative judgments and more specifically all moral judgments are nothing but expressions of preference, expressions of attitude or feeling, insofar as they are moral or evaluative in character.” In an emotivist culture, there is an understanding that people will not agree on values. This certainly fits with the idea that rights have priority over the good, and that the state must remain neutral about the ends. It fits with the character of homo economicus, who cares only about maximizing his preferences in the narrowest possible sense, and who is unmotivated by all notions of virtue, values, and purpose. It fits with the idea that social relationships become manipulative as people show a preference for extrinsic goods like money, power, and fame over intrinsic goods that are sought for their own sake. It fits with a consumerist mentality without an acquisitive ceiling, where desires can be molded, and where the “goods society” replaces the “good society.” It fits with the reality that public debate is both rancorous and unresolved, obsessed with scandal and celebrity. And it fits with the idea that
the dominant ideology of the age is self-absorbed and unreflective libertarianism.\textsuperscript{76}

A key trait of an emotivist culture, according to MacIntyre, is that it separates means from ends, and even turns means into ends. As evidence, consider the premium placed by modern society on “management”—a skill that brackets all questions of purpose and value, and instead focuses exclusively on technical efficiency and effectiveness. This mindset can also explain the divorce between ethics and economics. Famously, Lionel Robbins drew a sharp distinction between “positive” and “normative” economics: “economics deals with ascertainable facts, ethics with valuations and obligations.”\textsuperscript{77} In this view, economics is supposed to be value-neutral, which has the effect once again of turning means—efficiency and economic growth—into ends. Politics, too, becomes about bureaucratic competence rather than the common good.

We have spent a lot of time with MacIntyre, because his 1981 book seems prophetic in light of developments over the past few decades.\textsuperscript{78} MacIntyre sees the emotivist culture as the apotheosis of the Enlightenment project, which he thinks faces a massive self-contradiction. The reason is that the Enlightenment thinkers all began with an investigation of human nature as it is, not as it could be, while at the same time applying moral precepts inherited from an earlier tradition—whose purpose was to “correct, improve, and educate” human nature through the exercise of the virtues.

Gregory’s conclusion is less dark, but also boils down to a contradiction. For him the abandonment of virtue ethics was less a deliberate assault by Enlightenment philosophy than a causality of theological conflict—in an era of hardened theological dispute, the Aristotelian system was tarnished by its association with the Catholic Church. He argues that the only real tie left to bind society together is “consumerist acquisitiveness,” but this in turn cannibalizes the shared beliefs, norms, and values that inform social cohesion and the vitality of public life.

\textbf{The Principles of Catholic Social Teaching}

So far, we have made the case for a vision of human flourishing rooted in the common good, and argued that such a vision has dimmed since the Enlightenment. But if the current economic and social model is so flawed, what should replace it? Here, many of the critics are on thin ground. MacIntyre, for example, argues that we are living in the new dark ages, and the only response is to effectively drop out—by creating self-sustaining small communities and awaiting the arrival of a new St. Benedict.\textsuperscript{79} This is no answer at all, especially in the era of globalization and sustainable development. And many of these critics tend to dismiss the market altogether, although they do not offer any realistic alternative.\textsuperscript{80} This clearly won’t do.

This kind of critique can also be overly tinged with nostalgia for an idealized past. This won’t do either. We must be honest about the failures of the pre-Enlightenment world to put noble principles into practice. And we must be honest about the achievements of the Enlightenment—both the scientific and technological advances that have brought enormous improvements in human health and well-being, and the slow but steady advance of universal human rights.

Our main argument is that there is no need to upend the economic system, as that would prove impossible to achieve and disastrous to attempt. Rather, we wish to present Catholic social teaching as a way to break the impasse.\textsuperscript{81} It is not our intention to defend the confessional claims of the Catholic faith, even if Catholic social teaching is certainly founded on these claims. Our aim is more modest—to present Catholic social teaching as a way to put humpty dumpty together again in the context of the modern global econo-
my. Of course, Catholic social teaching is not the only valid path. Amartya Sen, for example, makes a persuasive case that the values deriving from the Buddhist tradition have enduring relevance for modern problems. And the dominance of the Nordic countries in the happiness rankings surely suggests the viability of a more secular conception of the common good.

What appeals about Catholic social teaching, though, is that it has inherited and internalized the older Aristotelian tradition, seasoning it with centuries of Christian insight. It offers a coherent and internally consistent framework that applies universal principles to particular situations and circumstances. And its two foundational pillars are the dignity of the human person and the supremacy of the common good.

In this sense, Catholic social teaching takes direct aim at some of the sacred cows of the Enlightenment—the use of science to achieve mastery over the natural world, and the supremacy of the individual. Pope Francis, for example, criticizes an unsustainable economic model based on the “technocratic paradigm”—assessing interventions in nature solely on grounds of utility and efficiency, always in the service of the self. In this, he echoes MacIntyre’s criticism of how modern society prizes managerial competence without reference to the good.

The first pillar of Catholic social teaching is the dignity of each individual. This is predicated on the theological notion that every human being is made in the image and likeness of God, and therefore possesses innate worth and dignity. Christianity holds that because God became a human being, the human being has been forever “divinized” in the sense that he or she receives a personal call to share in the life of God himself. Accordingly, human beings are called asked to see Christ in the face of the other, and to treat the other as another self.

The second pillar of Catholic social teaching is the familiar notion of the common good, defined as “the sum of those conditions of social life which allow social groups and their individual members relatively thorough and ready access to their own fulfillment.” Eudaimonia is therefore alive and well—the common good is the good in and through which all can flourish. While the post-enlightenment tradition reduces the common good to the mere aggregation of individual goods, this restores the old idea that the individual’s own good is intrinsically linked to the good of others. In this sense, it can be better represented as a geometric rather than an algebraic sum.

This also coheres with how Aquinas viewed the bonum commune—each person wills the other’s well-being for the other’s sake, which gives rise to a true “common” good, not reducible to the good of either taken separately or summed. There is an element of sacrifice involved—only by giving up and risking some individual good can we build something in common. The Christian metaphor of the Body of Christ is useful here. Just as injury to one part of the body injures the whole body, so injury to one person or one part of society injures the whole of society.

As with human dignity, the common good is deeply rooted in Christian notions of the person. It goes beyond Aristotelian notions of human beings as social creatures. Rather, it reflects the conception of the Trinity as a communion of persons understood as “pure relationality.” Therefore imago dei also implies imago trinitatis—the human person is called upon to model the communion of persons in the Trinity by living a communal life based on mutual, reciprocal love and equality. This does not entail loss of individual identity, but rather a “profound interpenetration.” The distinction between the individual and the person is useful here. While an “individual” is defined by his or her autonomy, a “person” is always a “being in relation.” The person, therefore, is intrinsically linked to the common good. As Jacques Maritain put it,
“The common good is common because it is received in persons, each of whom is a mirror of the whole.”

There is a profound reciprocity at play here. Just as each is called to contribute to the common good, each, in turn, is supported by it. When people are able to flourish and live the good life, this builds up social capital. In turn, when these social bonds are strong, individuals are more easily able to flourish. The good of the individual and the good of social institutions nourish each other. This is the great internal dynamic of the common good.

Thinking practically, it is helpful to envisage two dimensions of the common good: “the common conditions of social life” and “the attainment of the good life by all, at least to a minimum degree.” The former comprises the conditions that are needed as a basis for flourishing, but which no individual alone can provide—examples include security, economic opportunity, social cohesion, and a sustainable environment. The latter ensures that no one is impeded or prevented from flourishing, including the poor and the marginalized.

A commitment to the common good is a commitment to “integral human development”—defined as the development of the whole person and all people. This implies the development of the person in all dimensions—cultural, social, economic, political, emotional, intellectual, aesthetic, and religious—and the development of every single person without exception or exclusion. It is a eudaimonistic vision. It recognizes that every person, in line with his or her dignity, is called to flourishing and self-actualization, and it presumes a common duty to make this a reality. It promotes not only access to material goods, but also relational goods, cultural goods, and spiritual goods. It seeks to build up not only physical capital, but also human capital, social capital, and natural capital.

It is clear that this holistic view of human flourishing differs substantively from post-Enlightenment frameworks. Yet once again there are gradations of difference. Furthest away would be libertarianism, with its radical rejection of reciprocity and common purpose, and its purely negative and value-free notion of freedom. For a libertarian, not only is there no common good, but the very exercise of freedom itself must be divorced from any notion of the good. As Friedrich Hayek put it, “freedom granted only when it is known beforehand that its effects will be beneficial is not freedom.”

Rawlsian egalitarianism is closer, as it adopts a more positive notion of freedom—the freedom to pursue a person’s conception of the good. For Rawls, this requires what he calls primary goods, goods that all would want whatever their self-chosen end—goods he identifies with “rights, liberties and opportunities, income and wealth, and the social bases for self-respect.” Rawls calls this a “thin theory of the good,” based on the principle that people prefer more primary goods to less.

This conception of the good was “thickened” somewhat with the advent of the capabilities approach associated with Amartya Sen and Martha Nussbaum. For Sen, what matters is not so much the primary goods themselves but the “conversion of primary goods into the person’s ability to promote her ends.” Sen therefore shifts his attention to what he calls “functionings,” defined as the things a person values doing or being. In that sense, “capability” refers to the range of feasible functionings—what people are actually capable of doing and being. With its emphasis on agency and self-actualization, the capability approach has some overlap with eudaimonia. This is most clear with Nussbaum’s idea of capability as a “thick vague theory of the good,” whereby it is possible to identify core elements of human life all that could agree were worthwhile. Unlike Sen, Nussbaum has produced a list of 10 central capabilities, including eudaimonistic notions like practical reason.
and affiliation. In more recent work, however, Nussbaum has edged away from this Aristotelian framing and back toward Rawls—conceiving of her central capabilities less as a “thick vague theory of the good” and more as an expanded and deepened version of Rawls’s primary goods.99

So even with the capability approach, the focus is ultimately on the individual, and freedom is detached from the common good. While community is important for individual development, it remains purely instrumental.100 A more Aristotelian account would seek to demonstrate how relationship and mutuality can help unfold capability.101 The concept of the good in Catholic social teaching is therefore “thicker” than these alternative paradigms. Not only does it embrace a more “positive” conception of freedom, but it shifts the ground from “freedom to pursue your own good” to “freedom to pursue the common good.”

For Catholic social teaching, the path to the common good runs through the principle of solidarity. Solidarity is, in the words of Pope John Paul II, “a firm and persevering determination to commit oneself to the common good; that is to say to the good of all and of each individual, because we are all really responsible for all.”102 Solidarity is the moral response to an interdependent human society—a response actually in accord with human nature. And as globalization expands, so must solidarity—otherwise globalization turns into a “globalization of indifference.”103 The ecological crisis also demands a heightened sense of solidarity—not only with the world’s poor and excluded, but also with future generations and even with creation itself.104

Solidarity is also linked to the Catholic understanding of rights. Indeed, theologian Meghan Clark argues that as a social virtue, solidarity is habituated by practicing respect for human rights.105 Unlike conceptions of rights predicated on the autonomous individual, Catholic social teaching instead argues that rights are intimately linked to duties, and must be exercised within the social context. Rights therefore flow directly from first pillar of Catholic social teaching—the innate dignity of every human being—and are always oriented toward the second pillar—the common good.

The most detailed account of rights in the Catholic tradition can be found in Pope John XXIII’s landmark encyclical, Pacem in Terris.106 He begins with the following basic rights: “Man has the right to live. He has the right to bodily integrity and to the means necessary for the proper development of life, particularly food, clothing, shelter, medical care, rest, and, finally, the necessary social services. In consequence, he has the right to be looked after in the event of illhealth; disability stemming from his work; widowhood; old age; enforced unemployment; or whenever through no fault of his own he is deprived of the means of livelihood.” He goes on to enunciate a wide array of rights, including the right to be respected, to share in the benefits of culture, to religious freedom, to freely choose one’s state in life, to meet and form associations. On the economic front, he recognizes the right be to given the opportunity to work, to take personal initiative, to private property, to just remuneration for work effort, and to emigrate. Taken together, this list of rights linked to reciprocal duties—and cemented together by solidarity—lays out the preconditions for human flourishing.

This is also related to how Catholic social teaching approaches justice, which is a virtue predicated on giving others what is owed to them. In the Catholic tradition, justice is rooted in solidarity and in reciprocal rights and duties. It is exercised through mutuality and reciprocal interdependence; and is always geared toward promoting human dignity and facilitating full participation in the community.107

In this, Catholic social teaching appeals not only to Aristotle, but also to the store chest of wisdom contained in the Hebrew Scriptures. This tradi-
tion lays great emphasis on the need to stand in right relationship with God, with our fellow human beings, and with the land and measures justice by how the poor and marginalized are treated. In his recent encyclical, *Laudato Si’*, Pope Francis revived the ancient idea that human life is grounded in these three relationships, presenting his idea of integral ecology—meaning that when one of these relationships is ruptured, the others are ruptured too. Catholic notions of justice are also rooted in the New Testament, especially in the Christian notion of love of neighbor, especially the poor.

Catholic social teaching conceives of three distinct form of justice, pertaining to the various relationships between individuals and the community. Commutative justice is the justice between individuals—this is the basic justice of contracts, agreements, and promises. Distributive justice is the justice pertaining to what the community owes each and every individual—how the fruits of the earth and human labor are to be apportioned. And social justice relates to the institutional framework that allows each to participate in the common good and to share in its benefits.

These interlinked notions of justice relate to how Catholic social teaching approaches the issue of property. A libertarian would recognize commutative justice only—or argue that the justice of the marketplace presupposes distributive justice, premised on the belief that efficient outcomes are fair outcomes. A Rawlsian would place a high premium on distributive justice. But none would go as far as Catholic social teaching in stressing reciprocal cooperation and participation in the universal common good.

From this encompassing concept of justice flows one of the central principles of Catholic social teaching—the universal destination of goods. This is the principle that the goods of creation are destined for every single person without exception and without exclusion. This ancient teaching was formalized by Aquinas, who argued that private ownership is never absolute, and must always be subordinated to “common use”—meaning that the goods in one’s possession must be used to benefit others, not just the self. The universal destination of goods implies that the right to own private property is a conditional right, legitimate only to the extent that each person gets what is owed him or her from the world’s resources. In other words, private property always comes with a “social mortgage.”

Note that this approach to property is antithetical to both socialist collectivism and individualistic libertarianism—what Pope Pius XI referred to as the “twin rocks of shipwreck.” The universal destination of goods is a reflection of solidarity, specifically, the notion of solidarity as a virtue characterized as the mean between the vices of excess and deficiency—in this case, collectivism and individualism. Neither of these extremes respects the dignity of the human person and obligation to the common good. Collectivism suppresses private ownership in favor of common use, while libertarianism suppresses common use in favor of private ownership. Collectivism elevates duties and neglects rights, while libertarianism upholds rights and neglects duties. Collectivism treads on individual dignity, while libertarianism treads on solidarity. Neither is deemed acceptable.

So while the Church has consistently condemned Marxist collectivism, it also condemns the “errors of individualist economic thinking” and the idea of “profit as the chief spur to economic progress, free competition as the guiding norm of economics, and private ownership of the means of production as an absolute right.” In this vein, Pope Francis has criticized the “magical conception of the market,” arguing that this ideology represents a “crude and naive trust in the goodness of those wielding economic power and in the sacralized workings of the prevailing economic system.”
The universal destination of goods is also linked to preferential option for the poor. This harks back to the ancient principle that justice is measured by how it treats the poor and the marginalized. And it has a specifically Christian dimension, grounded in a God who identified intimately with the poor, and in whose faces all people are called upon to see the face of Christ. Pope John Paul II referred to the preferential option for the poor as a “special form of primacy in the exercise of Christian charity, to which the whole tradition of the Church bears witness.” And Pope Francis ties this directly to solidarity—“solidarity must be lived as the decision to restore to the poor what belongs to them.”

There remains an equally important principle of Catholic social teaching not yet discussed—subsidiarity. Subsidiarity calls for decisions to be made at the lowest level possible and the highest level necessary. More formally, it says that higher-order associations should never usurp the authority and freedom of lower-order associations, but should instead help them achieve their ends. Subsidiarity presupposes that there are different levels of authorities, each with their own rights and duties with regard to the common good. The link to eudaimonia is clear, as subsidiarity respects and nurtures the agency of the human person as he or she seeks to become who they are meant to be. In this sense, subsidiarity “fosters freedom and participation through assumption of responsibility.”

Just like solidarity, subsidiarity should be regarded as a bulwark against the dominant individualism of our age. While human beings flourish in social settings, the emergence of the modern economy has gone hand in hand with “the near extinction of the rich social life which was once highly developed through associations of various kinds.” Ironically, the counterpoint to the Promethean individual turns out to be the exalted state. Subsidiarity seeks to fill the space between the individual and the state with a vibrant civil society and a rich associational life.

Solidarity and subsidiarity are bound together tightly. If solidarity is the principle orienting society toward the common good, subsidiarity is the principle grounding all action in human dignity. Solidarity without subsidiarity can degenerate into paternalism, while subsidiarity without solidarity can lead to privatism. In this sense, a keen attention to subsidiarity can help habituate the virtue of solidarity and avoid the vices of individualism and collectivism.

**Putting Principle Into Practice**

How can these principles be put into practice? To answer this question, the best place to start is where modern Catholic social teaching started—with the means of governing relationships between workers and employers. From the beginning, Catholic social teaching stressed that participating in the universal common good implied a cooperative relationship between the various social entities and associations.

Behind this lies the notion of vocation. Both workers and business owners are called to live out their vocations, which differ in substance but have common ends. This accords with the teleological nature of human psychology—what MacIntyre would refer to as the orientation toward the goods internal to the various practices.

For Catholic social teaching, work is regarded as a universal calling—through work, says Pope John Paul II, a person “achieves fulfillment as a human being and indeed, in a sense, becomes ‘more a human being.’” In the words of Pope Francis, “Work is a necessity, part of the meaning of life on this earth, a path to growth, human development and personal fulfillment.” Work, therefore, is intrinsic to eudaimonistic notions of flourishing. It is the path to self-actualization. There is therefore a duty to work, which means there is a corresponding right to be given the opportunity to work.
It follows that the relationship between employers and workers should be governed by the relationships of justice. But this is not the justice of the marketplace. As far back as 1891, Pope Leo XIII invoked a “more imperious and ancient” concept of justice to call upon employers to pay a just wage, as otherwise workers would be victims of “force and injustice.”130. This is a radical critique of the notion that justice lies in the mutual consent of two voluntarist agents. It goes against both the libertarian position, which prioritizes freedom of choice, and the utilitarian underpinning of modern economics, which argues that mutual exchange leads to mutual gain. Rather, the Catholic position makes two points. First, it stresses that consent does not constitute justice when bargaining power is skewed. As Pope Paul VI put it, “when two parties are in very unequal positions, their mutual consent alone does not guarantee a fair contract.”131 Second, paying workers less than a living wage degrades their dignity, treating them as a mere means—a “factor of production”—rather than an end in themselves. Overall, this kind of imbalance inhibits the flourishing of the worker and violates the mutuality inherent in the common good.

A just remuneration for work is therefore regarded as the best way to achieve the universal destination of goods in practice.132 The Catholic tradition also supports other social benefits—including pensions, healthcare, family support, adequate rest, and vacation time, and work environments that do not impede health, safety, or moral integrity.

The social and relational nature of the person also finds expression in the domain of work. This is why the Catholic tradition emphasizes the right to organize and bargain collectively. Unions are regarded as the arenas where solidarity and subsidiarity meet. They demonstrate solidarity because workers are united in common purpose—“to protect their just rights vis-à-vis the entrepreneurs and the owners of the means of production.” And they demonstrate subsidiarity, because they embody the kind of associational life in which civic virtue is habituated—they are an “indispensable element of social life.”133

Business too is regarded by Catholic social teaching as a vocation, a “noble vocation, direct to producing wealth and improving our world.”134 It too is a practice, with goods internal to it. But to achieve its end, it must orient its activity toward the common good. That, in turn, means putting the interests of others ahead of self-interest. This is a radical departure from the current business model that emphasizes maximizing profits, typically identified with shareholder value.

In contrast, a virtuous business strives for three dimensions of the good: good goods, good work, and good wealth.135 An emphasis on “good goods” means that businesses are called upon to produce goods and services that fulfill real human needs and facilitate real human flourishing, instead of feeding a consumerist mentality of constant novelty, “a whirlwind of needless buying and spending.”136

The second dimension is “good work.” Given the primacy of the vocation of work, business is called upon to prioritize the goal of employment. Indeed, ownership of the means of production is considered just and legitimate only to the extent that it serves “useful work.”137 To that end, prizing short-term financial return over investment in people—including by viewing human beings as interchangeable with machines—is regarded as a social bad.138

The third way business serves the common good is by producing “good wealth.” While the Catholic tradition sees profit as legitimate, this cannot be the exclusive—or even primary—goal of business. To truly serve the common good, business must embrace a wider sense of responsibility—not just to shareholders, but also to workers, suppliers, consumers, the natural
environment, and broader society, too. Catholic social teaching also advocates for a blurring of borders between profit-making and non-profit entities, so that businesses can simultaneously earn profits and serve a social function.

A focus on short-term financial return also works against sustainability. An obsession with profit above all fails to account for the harm done to the environment, to the rhythms of nature, to biodiversity and complex ecosystems—and to the lives of the poor. To truly fulfill its vocation, business is called upon to bear the full social cost of its environmental activity, to use the earth’s resources in a sustainable manner, and to invest in sustainable development solutions.

And with its theme of joint vocation, Catholic social teaching also puts a strong emphasis on cooperation within the business venture itself, breaking down the rigid divide between capital and labor that too often leads to cross-purpose and conflict. It therefore endorses joint ownership of the means of work—letting workers participate in the management of businesses and giving them a share of the profits. In the words of Pope John Paul II, “each person is fully entitled to consider himself a part-owner of the great workbench at which he is working with everyone else.” Indeed, the happiness literature points to the importance of a harmonious relationship between employers and workers. One study suggests that when trust in management is just one point higher (on a 10-point scale), this has the same effect on life satisfaction as a one-third higher salary.

The focus so far has been on the relative rights and duties of the social partners. What role does the state play? Catholic total teaching suggests that its role is both activist and circumscribed—activist because the good achieved by the common life is higher than the good achieved by the individual; circumscribed because human dignity requires that the autonomy and agency of subsidiary associations be respected.

Catholic social teaching repudiates the commonplace belief that the state bears sole responsibility for solidarity, with the economy guided by the law of the market. Pope Benedict XVI made this point explicit. He argued that “authentically human social relationships of friendship, solidarity and reciprocity” should be conducted within economic activity, and not just “outside it” or “after it.” He argues that this “binary model of market-plus-state is corrosive of society.” Since business is a vocation, it must be a domain of virtue. It is therefore a duty of private economic actors to place solidarity and reciprocity ahead of self-interest. It is not the role of government to clean up the mess left behind by homo economicus.

But Catholic social teaching clearly has no truck with the minimalist government of the libertarians, either. Indeed, it regards “the whole raison d’etre of the state” as “the realization of the common good in the temporal order,” which implies that the state cannot “hold aloof from economic matters.” Accordingly, “the right ordering of economic life cannot be left to a free competition of forces.” Instead, it requires “a true and effective directing principle.” All of this suggests a number of core functions that balance solidarity and subsidiarity: ensuring that the basic needs of all are met; fostering a fair distribution of resources and opportunities, including by correcting unbalanced power relationships; and laying down favorable foundations for a virtuous economy, including by intervening in areas where market autonomy could impede human flourishing.

In turn, this yields some specific obligations. First off, the government is called upon to provide basic goods that a market economy would underprovide. It is called upon to ensure that the basic needs of all are met in line with basic human rights—including healthcare, education, housing, nutrition, and some protection against the inevitable fluctuations of a market economy. While the government is not necessarily obliged to
provide these services itself, it is obliged to make sure that they are provided.

Given the centrality of work in Catholic social teaching, the government is also duty bound to prioritize employment. The evidence shows that unemployment is corrosive to human flourishing—not only does it lead to a loss of lifetime earnings, but it also worsens health and mortality, impedes the educational achievement of children, and depletes trust and social capital. Temporary financial help for the unemployed, while vitally important, can never truly substitute for fulfilling work. And if social assistance fails to respect subsidiarity, it can lead to dependency and alienation, which inhibits participation and hurts human dignity. This suggests a preference for program implementation at a lower level.

Government must therefore prioritize policies that generate and retain jobs. It could do this by creating conditions favorable to the exercise of economic activity; letting monetary policy target employment rather than price stability alone; and implementing active labor market policies such as job search assistance, job training schemes, employment subsidies, and public sector job creation. When economic conditions deteriorate, short-term work programs can prove effective—this is when workers agree to voluntary reductions in hours, employers agree not to lay people off, and governments agree to subsidize the wage bill. This kind of agreement represents a perfect blend of solidarity and subsidiarity. And by finding a pro-social solution, this kind policy is likely to enhance subjective well-being.

Catholic social teaching also advocates for limiting the autonomy of certain sectors and industries, where autonomy of action can impede human flourishing. Protecting the environment presents an obvious case. While it falls within the vocation of business to habituate ecological virtues, it is the responsibility of government to implement appropriate regulato-

ry and carbon pricing mechanisms. Government is also duty-bound to protect the rights of workers, including their right to bargain collectively and to exercise joint ownership of the productive process.

Another key area where restrictions are warranted is the financial sector, where—time and time again—pursuit of short-term financial gain has proven catastrophic for human well-being. This has been a consistent concern of Catholic social teaching. Pope Pius XI made this point after the Great Depression and Pope Benedict XVI reiterated it after the global financial crisis. For too long, the world of finance has been a “virtue-free zone,” the domain of homo economicus on steroids. Recently, Pope Francis urged people to say “no to a financial system which rules rather than serves.” As with the environment, the financial sector itself must pursue the internal goods proper to its practice—and in doing so, serve the common good. But once again, government has a complementary role to play, by laying down the foundations most conducive to ethical practice—including enhanced regulatory oversight, limits on firm size and scale, and taxes on short-term financial transactions. Government might also consider corporate governance reforms to discourage short-term thinking and make corporations accountable to a wider range of stakeholders.

The state also has a defined role when it comes to distributive justice. Of course, part of this entails making sure that the needs of all are met. But it goes beyond that. Catholic social teaching has long stressed fairness in the distribution of the gains from material progress. Pope John XXIII, for example, argued that while productive efficiency is important, it is equally important that “riches produced be distributed fairly among all members of the political community.”

When Catholic social teaching reflects on inequality, it often does so through an Aristotelian lens—the idea being that excess inequality undermines the civic virtues and severs the
sense of shared purpose necessary for the common good. Pope Benedict XVI made this point when he argued that inequality depletes social capital and undermines the norms of reciprocity.158 Similarly, Pope Francis argued that inequality leads to a “throwaway culture” in which the sense of common purpose has become so impoverished that the excluded are no longer even considered part of society. It is for this reason that he calls inequality “the root of social ills.”159

This coheres with psychological evidence that richer people are less likely to engage in pro-social behavior—they tend to behave less generously, display less empathy, and are more likely to lie or cheat.160 The purported reason is that they regard selfish and greedy behavior as acceptable. Just like economists haunted by homo economicus, or bankers identifying predominantly as bankers, they are primed by the prevailing mindset to behave in anti-social ways.161 This is a textbook case of how the good of the person and the good of the community are inseparable. Inequality not only inhibits the flourishing of the poor; it also inhibits the flourishing of the rich. It creates a true vicious rather than a virtuous circle. And not surprisingly, the evidence also suggests that inequality harms well-being—one study shows that a 1 percent increase in the income share of the top 1 percent has the same effect on life evaluation as a 1.4 percent increase in the unemployment rate.162

This presents an Aristotelian argument for raising taxes on the rich, especially on unearned income and wealth, on the grounds that a more equal society is more favorable to the cultivation of virtue and contributes to greater well-being.163 Some more radical options floated include a global tax on capital164 or policies geared toward equalizing the ownership of capital.165 But this problem cannot be solved by tax policy alone. It is tied to the concentration of economic power in ways that frequently violate the principle of subsidiarity. This tends to undermine the common good, as large and powerful corporations become increasingly distant from the people they deign to serve, which tempts them to use their power to pursue their own financial interests—thus perpetuating inequality and further undermining that bond that binds the community in common purpose. One antidote to the imbalance caused by a large and powerful corporation structure is a large and powerful government. But this this is an unsatisfactory solution—combined economic and bureaucratic concentration could smother the vibrant associational life that incubates the social virtues and seeds social capital.166

This also exposes the limits of the viewing the social world as the mere interaction of autonomous individuals, which ignores the reality that peoples’ lives are lived in and through institutions. With the concentration of corporate and bureaucratic power, institutional scale ends up dwarfing the individual, making the good life harder to attain. Institutions are in effect disabled and the common good is corrupted. The solution is greater dispersion of economic power and ownership, which would allow all to participate in the goods of society.167

Of course, all of this becomes dramatically more complicated in a world where capital—and increasingly, high-income workers—can glide seamlessly across borders. It is well known that globalization has the potential to undermine the common good, as the authority of the state to reduce imbalances is limited a “race to the bottom” in terms of taxation and regulation. As Daniel Bell put it, the nation state is now too big for small problems, and too small for big problems.168 It is for this reason that subsidiarity operates upwards as well as downwards. In some areas, the proper level is the supranational level. In tandem with subsidiarity, solidarity in a more interdependent world must also take on a more global dimension—a globalization of solidarity rather than indifference.169

This has been yet another consistent theme of Catholic social teaching, especially following
Pope John XXIII’s call for a political authority of the world community to address issues affecting the global common good. And in the aftermath of the global financial crisis, Pope Benedict XVI resurrected this call for a world political authority to support the development of peoples in this era of globalization. What areas are proper to the supranational dimension? One obvious candidate is financial sector regulation. Another is global development, especially since inequality is more prominent by location (between-country inequality) than class (within-country inequality). Clearly, the implementation of the sustainable development agenda and the Paris agreement to limit carbon emissions require global commitment and cooperation. As Pope Francis puts it, “interdependence obliges us to think of one world with a common plan.”

To apply Aristotle’s logic, the good of the global community is a higher good than the good of the nation state. This is not a call for a new cosmopolitanism to take precedence over other communities, local and national. Rather, it is about recognizing the common humanity of all inhabitants of our common home, sharing a common human dignity, and bonded together in common purpose. It is about making sure that all can participate in the interdependent good of an interdependent world.

Fundamentally, Catholic social teaching is grounded in the reciprocal cooperation between different sectors and social partners in the service of the common good. Each entry is called upon to pursue its own internal goods, which is always linked to the common good. As always with the habituation of virtue, this requires leadership, education, role models, positive reinforcement, a vigorous civil society, and quality public discourse and deliberation.

The good news is that government can play a reinforcing role. The role of government is both direct and indirect, in line with the twin pillars of solidarity and subsidiarity. Its direct duties include making sure the needs of all are met. Its indirect role is to help subsidiary entities attain their own ends. Of course, this can only go so far—virtue cannot be legislated. Even so, government policy can help by laying down the foundations most conducive to human flourishing—by giving virtue a nudge, as it were. Modern economics focuses a lot on incentives, but not nearly enough on intrinsic motivation. Yet both are important. And the best kind of policies can, depending on their design, influence not only incentives but also this kind of intrinsic motivation.

Against this backdrop, we have advocated for a broad spectrum of economic policy priorities: reducing income and wealth disparities; protecting labor rights; prioritizing labor market policies; internalizing the social costs of economic activity; curbing the activities of the financial sector; reducing corporate size and scale; and introducing governance reforms to expand the range of stakeholders, encourage the use profit for social ends, and facilitate shared ownership of the means of production.

These policies should contribute to subjective well-being. More than that, they should contribute to human flourishing. And even more than that, they should serve the common good.
1 Judt (2010).
2 Deci and Ryan (2008).
3 Nussbaum (2005).
4 MacIntyre (1981).
6 Aristotle (1953).
7 MacIntyre (1981).
8 Hollenbach (2002).
9 Etzioni (2015).
10 Miller (2011).
11 Aristotle, (1885).
12 MacIntyre (1981).
13 See Bloom (2013); Ricard (2015); World Bank (2015).
15 It is no accident that the notion of compassion for all suffering beings is foundational to Buddhism—see Ricard (2015).
18 Ricard (2015).
19 Smith (1759).
20 See Becchetti, Bruni, and Zamagni (2014).
21 Helliwell (2012).
22 Zamagni (2005).
23 Bruni and Zamagni (2007); Bruni (2012).
24 Miller (2015); Wight (2015); Bloom (2013); Becchetti, Bruni, and Zamagni (2014).
25 In dictator games, people offer an average of 20–30 percent of resources, even there were no consequences to being selfish.
26 In ultimatum games, people offer around 50 percent, and offers less than 20 percent are typically rejected.
27 In trust games, two-thirds trust the other by turning over the decision to them, and two-thirds in turn reward the trust by playing pro-socially. And in public goods games, 60 to 70 percent are willing to contribute to a common pool for the common gain of all, knowing that they would lose out from too many non-cooperative free riders.
28 Bowles (2012).
29 Bruni and Zamagni (2007); Bruni (2012).
31 See Fehr, Fischbacher, and Gaechter (2002).
32 Dawkins (1976).
33 Bloom (2013). Note, however, that reciprocal altruism is rather different from strong reciprocity. A reciprocal altruist is fundamentally self-interested, and is only willing to incur short-term costs in the anticipation of long-term benefits (see Fehr, Fischbacher, & Gaechter, 2002).
36 See Bowles and Gintis (2011). But Ricard (2013 argues that warfare was rare for most of human prehistory.
40 The psychologist Stanley Milgram is famous for two very different types of experiment. In one, designed to assess kindness, he found that over half of the stamped addressed envelopes he deliberately dropped on the street were picked up and mailed. But in another experiment, he found that people would go to extreme lengths to obey authority—over half of his test subjects were willing to administer what they thought was a lethal electronic shock to a subject they could hear but not see. See Bloom (2013).
41 There is also direct evidence that reasoning wisely in itself leads to greater happiness, especially when it helps people overcome social conflict—see Grossman et al (2011).
42 Pinker (2012).
43 Banerjee and Bloom (2014).
44 Seligman (2012).
46 See Zamagni (2008) on the last point.
47 This latter consisted in union with God after death, and should be regarded not so much as distinct from the natural end but as “a kind of surpassing perfection” of it (McInerny & O’Callaghan, 2014).

48 This account leans heavily on Gillespie (2008).


50 Gregory (2012).

51 Bentham (1789).


53 Rawls (1971).

54 Nozick (1974).


56 MacIntyre (1981).


60 Rawls (1993).


64 Yet Bruni (2012) faults Smith for downplaying the relational nature of the marketplace. In his view, Smith saw the impersonal marketplace as a blessed escape from the hierarchical and exploitative relations of the time. But by taking relationship out of exchange, he is throwing the baby out with the bathwater.

65 Pareto (1909).

66 See Wight (2015).

67 This obliterates the egalitarian instincts of earlier utilitarianism, which came from the combination of interpersonal comparisons of utility and the assumption of diminishing marginal utility.

68 Making Sen’s distinction, this might be compatible with sympathy, but never commitment (Sen, 1977).

69 See Sachs (2013); Becchetti, Zamagni, and Bruni (2014).


71 Longley (2014).

72 Etzioni (2016).


74 MacIntyre (1981).

75 Gregory (2012).

76 Lilla (2014).

77 Robbins (1935).

78 See also Judt (2010).

79 MacIntyre (1981).

80 Bruni and Sugden (2013).

81 By Catholic social teaching, we mean the body of social encyclicals issued by successive popes that address moral questions related to the functioning of the modern industrial, and increasingly globalized, economy—from Pope Leo XIII’s Rerum Novarum in 1891 to Pope Francis’ Laudato Sì in 2015. For an excellent overview of (most of) these encyclicals, see Himes (2005).

82 Sen (2014).


84 As Saint Athanasius put it, “God became man so that we might become God.”

85 There is an interesting debate about over the extent to which Catholic conceptions of the person influenced the development of modern human rights. Moyn (2015) argues that it was only in the twentieth century that human rights came to be grounded in the dignity of the person, a development influenced by Catholic intellectuals like Jacques Maritain.

86 This definition comes from one of the main documents of the Second Vatican Council, Gaudium et Spes—the Pastoral Constitution of the Church in the Modern World—promulgated in 1965.

87 Zamagni (2010).

88 Finnis (2011).

89 Minnerath (2008); Bruni (2012).

90 Clark (2014).


92 Maritain (1947).

93 Michel (1937); Finn (2013).

94 Pope Paul VI (1967).

95 Hayek (1960).

96 Rawls (1971).

100 Clark (2014).
103 Pope Francis (2013).
110 Pope Benedict XVI (2009) argued that justice comes prior to charity, and indeed, should be considered the minimal measure of charity. But charity transcends and completes justice. A good society, therefore, needs not only relationships characterized by rights and duties, but also relationships characterized by gratuitousness, mercy and communion.
111 See Hollenbach (1977) and Finn (2013) for detailed elaborations of the different modes of justice.
112 Hollenbach (2002).
113 Hayek, for example, mocked the idea of social justice, calling it a “quasi-religious belief with no context whatsoever”. See Hayek (1973).
115 Pope Pius XI (1931).
116 As Pope Francis puts it, “solidarity is a spontaneous reaction by those who recognize that the social function of property and the universal destination of goods are realities which come before private property” (Pope Francis, 2013).
117 See Clark (2014).
118 Pope Pius XI (1931).
119 Pope Paul VI (1967).
120 Pope Francis (2013, 2015).
121 Pope John Paul II (1987).
122 Pope Francis (2013).
123 Subsidiarity received its fullest treatment in Pope Pius XI’s 1931 encyclical, Quadragesimo Anno.
126 Pope Pius XI (1931).
127 MacIntyre (1981). Note, however, that MacIntyre was skeptical of the idea that the kind of work done in the modern economy could be viewed as a practice with goods internal to it.
128 Pope John Paul II (1981)
130 Pope Leo XIII (1891).
131 Pope Paul VI (1967). He argued that this principle governed relations not only between individuals, but between nations too.
133 See Pope John Paul II (1981).
139 Pope Benedict XVI (2009).
140 One concrete application of this idea lies in the “economy of communion,” whereby business profits are divided in three ways—re-investment in the business, giving to those in need, and funding the infrastructure to promote a culture of giving and reciprocity—see Gold (2010).
141 Pope Francis (2015).
142 Pope John Paul II (1981). A good example of this model is the German principle of co-determination, which gives workers the right to participate in management. The German model of industrial relations was heavily influenced by Catholic social teaching—see Daly (2011).
143 Helliwell and Huang (2010).
144 Pope Benedict XVI (2009).
146 Pope Pius XI (1931).
147 See Sachs (2011).
148 The right to healthcare—so central to human flourishing—has been flagged as particularly important—Catholic social teaching calls for it to be provided “cheap or even free of charge”—see Pope John Paul II (1981).
Daly (2009) argues that the welfare states inspired by Christian Democratic traditions in postwar Europe showed how to blend solidarity and subsidiarity in practical way. In this model, the public sector authorizes and finances social programs, while private associations take responsibility for delivery of services and benefits. In Germany, for example, social assistance laws require public bodies to enlist churches, religious communities, and “free welfare associations” (some of which are religious in nature, both Catholic and Protestant). The Netherlands instituted a similar model based on a Dutch Calvinist theology.

This kind of scheme prevented the global financial crisis from leading to major job losses in countries like Germany—see Dao and Loungani (2010).

The idea that wealth corrodes virtue is an old idea in Christianity. Pope Francis, for example, is fond of quoting St. Basil’s claim that “money is the devil’s dung.”

This is related to Thomas Piketty’s point that progressive taxes in the United States in the early twentieth century were justified not on revenue grounds, but out of fear that oligarchic domination would undermine the democratic foundations of society (Piketty, 2014).

This also touches on self-interest. Wright (2000), for example, argues that as the world becomes more interdependent, benevolence toward strangers becomes more important.
References


