

The True Wealth of Nations

*Catholic Social Thought and
Economic Life*

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Introduction

Developing an Architecture for Relating Catholic Social Thought and Economic Life

The international financial crisis that broke into the headlines in late 2008 demonstrated a number of weaknesses in the world economic system, but among the most important conclusions that most people have drawn from these events is that we suffer from a lack of moral values in the marketplace. This moral vacuum is best exemplified in the personal malfeasance of individuals such as Bernard Madoff and represented by the quest for ever-higher incomes by the largely unnamed hedge fund traders who took greater and greater risks in the derivatives market. Ordinary citizens around the world have come to understand that both our economic system and the prevailing philosophy behind it need to incorporate stronger moral commitments to justice, fair play, and concern for the systemic effects of innumerable individual choices.

Just this sort of concern for the common good has been characteristic of Roman Catholic social thought and its engagement with economic life. Rooted in a long history from the ancient Hebrew Scriptures, through the New Testament, the writings of the fathers of the early church, the economic analysis of medieval theologians, right up to the modern social teaching of the Catholic Church, this tradition has argued both for the well-being of each individual person and for a comprehensive understanding of social life that sees all individuals as intimately related, even in large social, economic, and political institutions.

Most of what has been written about the implications of Christian theology for economic life has been deeply shaped by one of two conflicting prior commitments: to “free markets” or to a

liberationist critique of free markets. In both cases, authors have too frequently chosen to employ only those portions of Catholic social thought that support the arguments they want to make about a proper structure for the economy.

It was in this intellectual context that the Institute for Advanced Catholic Studies began its “True Wealth of Nations” research project. This effort is dedicated to discerning the implications of Catholic social thought for economic life today, attempting to minimize the effects of preconceived ideological commitments. That is, the task at hand is to delve into what the Christian tradition, and in particular Catholic social thought, has had to say about economic life and to discern its most important implications for the context of the twenty-first century. In order to do so, the project brings together a diverse group of economists and other social scientists along with theologians and others, the majority of whom have professional experience and academic credentials in more than one discipline, allowing them to move back and forth across disciplinary boundaries that have in the past often stunted efforts at interdisciplinary dialogue.

This volume is the result of an international conference sponsored by the Institute for Advanced Catholic Studies, held at the University of Southern California in June 2008. The conference focused on a fundamental assertion of the True Wealth of Nations research project, chosen both for its clarity and for its capacity to elicit lively conversation from economists, theologians, and many other scholars. This basic proposition is that the economic and cultural criteria identified in the tradition of Catholic social thought provide an effective path to sustainable prosperity for all.

There is no claim here that the criteria identified in this tradition are somehow unique or that only people of faith could understand or implement them. However, the proposition does make an important claim that much of the scholarship on Catholic social thought has not. That is, it makes a causal assertion that if we were to implement the standards identified in this tradition, we would be on a path toward a goal of prosperity for everyone, both in this generation and in the future.

The advantage of attending to such an empirical assertion is that it better allows both theologians and economists to engage in dialogue about the substance of Catholic social thought. This body of literature is not simply a set of moral teachings, something that economists are professionally unequipped to deal with. Nor is it simply a technical economic assertion of cause and effect, since both the criteria the proposition recommends and the character of prosperity it aims for cannot be defined in purely technical economic terms but require the kind of moral judgments that the Christian tradition can provide.

Having annually attended the professional meetings in both economics and Christian ethics in the United States over the past thirty years—and having been president of national professional societies in both fields—I am vividly aware of the difficulties in structuring conversation across boundaries between social scientists and humanists. Disciplinary mind-sets are often so fundamentally different and personal histories often so isolated within a single discipline that many well-meaning attempts at dialogue in the past have brought about confusion and frustration rather than real insight that can be passed on to others. The hope behind the True Wealth of Nations research project is that bringing together social scientists and humanists who are willing and able to stretch to understand one another’s points of view promises a fruitful result that can indeed be helpful to others. Thus, beginning with this basic proposition allows us to understand better where we have come from, both within economics and within theology, and offers us a way forward in dialogue together.

Where We Have Been Economically

Fifty years ago, this basic proposition might have been scorned by the vast majority of economists and other experts involved in the work of economic development (the subdiscipline within economics dedicated to understanding how national economics can best be structured to encourage economic prosperity). This was true at international institutions such as the World Bank and the International Monetary Fund and at research universities across the industrialized world.

Today, however, after decades of unfulfilled expectations about economic growth in many of the poorest nations of the world, the intellectual climate has been shifting, even prior to the recent financial crisis. The heads of the World Bank and the IMF, along with their staff economists, have met with bishops and lay leaders in the Church over such issues as third-world debt. The World Bank has worked with the Archbishop of Canterbury to sponsor international gatherings of religious leaders to discuss development issues. Within economics, scores of secular economists have done theoretical and empirical work on previously “noneconomic” issues such as cooperation, trust, moral conviction, and the effects of religious faith on economic growth. Nobel laureate Amartya Sen has, for example, proposed to understand economic development as most fundamentally a development of freedom and of those capacities in people necessary for supporting self and family. Kenneth Arrow, another Nobel Prize–winning economist, has argued for the importance

of trust and other moral relations for economic growth. In sum, we see today a greater openness in discussions of economic science and policy to the importance of moral, cultural, and religious factors in economic growth. And as already noted, the international financial crisis has led many economic experts to understand now what they may have missed before: that moral conviction in economic life is just as important as defining market structures in the best way possible.

Where We Have Been Theologically

Not only are we in a new situation regarding economic thought, the same is true regarding theological reflection. The three millennia of the Judeo-Christian tradition are rich with commentaries and analyses of economic life, a vast storehouse of wisdom that remains authoritative. But because ours is a living tradition, teachings sometimes change when new problems arise. When traditional moral commitments conflict, more fundamental insights from earlier eras win out over less fundamental ones. This is why Christian teaching on such issues as usury and slavery has changed. It has now become clear that traditional attitudes toward three aspects of economic life are no longer sustainable: suspicion of the role of incentives in the creation of wealth, doubts about the ethos of trade and business, and disdain for the role of self-interest in economic life.

First, for many centuries, Christian thinkers—as well as their secular counterparts—did little reflection on the creation of wealth. As St. Augustine put it in addressing his wealthy listeners, “You found your wealth here.” This ancient view is understandable in its context, since in the premodern world, the wealthy were almost exclusively those who owned large tracts of land, typically used for agriculture and mining. Since the land and minerals had been created by God, and since nearly all the labor was done by others, little attention was paid to the question of incentives for the creation of wealth. The wealthy rarely seemed to work hard. Similarly, little attention was paid to the possible disincentives that can be created in the lives of the poor if they become dependent on the charity of the wealthy instead of moving to sustain themselves. The widespread concern for the origin of wealth and the role of incentives in economic life arose only in the last three centuries.

Second, Christian thinkers—and most secular scholars as well—were deeply suspicious of the “businessmen” of their day, merchants: people whose work involved buying goods in one place to sell them in another, to make money so they can buy more goods to sell. As Thomas Aquinas described it, “trading, considered in itself, has a certain debasement attached to it.” Many in

business seem to succumb to avarice, which has led thinkers from Plato and Aristotle onward to advise against taking up the trade. Economic activity was regarded as a “zero sum” game: with only a finite pool of wealth available, those who possessed it were regarded as doing so at the expense of others. Much more recently, economic thinkers such as Adam Smith taught that there are discernable reasons why some nations are wealthier than others—reasons that rest on the daily economic productivity of ordinary people—and that wealth is not fixed. If the economy is properly structured, the economic pie can grow and all can benefit without injustice. Not everyone has in fact benefited and injustice still occurs in too many places, but the possibility is there and this is a critically important shift in our moral context.

The third traditional presumption that cannot be sustained is the time-honored Christian view of self-interest. Related to the suspicion of merchants just noted, any exertion of self-interest was often interpreted to be morally wrong, with real altruism in service to God and neighbor the only morally respectable stance. Yet from the time of Bernard Mandeville three centuries ago, the primary moral defense of economic freedom has been that the self-interested choices made by ordinary people in the market can conduce to the economic well-being of the community. This claim is frequently overstated by advocates of free markets (who have too glibly presumed that self-interest, unguided by law or custom, will automatically generate prosperity for all), but Christians have come to realize that a blanket condemnation of self-interest is not ethically warranted. The exercise of initiative, self-reliance, and a concern to provide economic security and even some improvement in economic well-being for self and family is a natural and moral dimension of life. As Bernard Lonergan taught concerning the vitality of the market system, what is needed is not a dam to block the stream, but control of the riverbed through which the stream must flow.

Where We Are Now: The Work to Be Done

A significant shift in the approach of the Catholic Church began in the teaching of Pope John Paul II, especially with his encyclical *Centesimus Annus*. It argued that the creation of wealth in a market-driven economic system could, in the right conditions, promote the common good. Business firms could be structured to serve this greater good, with profit playing a constructive role. And the entrepreneur, who was earlier seen as the epitome of the greedy businessman, was cast in a better light by John Paul: “It is precisely the ability to foresee both the needs of others and the combinations of productive factors most adapted to

satisfying those needs that constitutes another important source of wealth in modern society.”¹ None of this should be interpreted as altering the ultimate goal of humanity—unending life in God—but it does recognize the importance of economic life, the substratum for all of human life on this earth.

It is interesting to note that prior to writing *Centesimus Annus*, John Paul invited to his personal residence a group of internationally distinguished economists, only a few of whom were Catholic, to give him advice on what they thought he should stress in his upcoming letter. In a similar spirit of cooperation, the True Wealth of Nations project undertakes to sustain ongoing conversations between social science and theology in better discerning the concrete implications of Catholic social thought for economic life today.

Catholics claim no monopoly on insight here. In fact, the natural law tradition understands that insights into the prudential conduct of life are available to all reasonable persons, not just to people of faith. Thus one would expect to find large areas of overlap of Catholic social thought with other religious traditions and secular science.

Thus today, Christian intellectuals have at their disposal a more subtle and realistic approach to economic life—at the same time that economic specialists exhibit more openness to the importance of culture, morality, and religion than at any other time in the last century.

An Overview of the Volume

Because all the essays in this volume take our basic proposition about Catholic social thought and economic life as their starting point, the first two chapters of the book take a careful look at what that basic proposition means. The Preface contains the basic rationale for the broader True Wealth of Nations research project, and the claim is that we would be on the path to sustainable prosperity for all if Catholic social thought were implemented, and so there are two questions to begin with. First, what is it that Catholic social thought recommends for the economy? Second, how would we know if we had achieved sustainable prosperity for all? (That is, what are the descriptors of the economic goal we have set for ourselves?)

Albino Barrera, O.P. takes on the first of these two tasks. He helpfully employs the Scriptural principle of *sedeq* (biblical justice) and modern Catholic social thought to identify the recommendations for contemporary life that the tradition of Catholic social thought proposes. A wide range of evidence will be needed to test our basic proposition, including everything from statistical data to “softer” but more robust evidence from various sciences and the humanities,

to a general awareness of the operations of daily economic life. However because this process should in principle be able to be approached from a statistical point of view, Barrera's chapter also proposes for each concrete recommendation one or more empirically specifiable proxies that could be part of an econometric test of the proposition. Barrera understands that an econometric test would include some distortion of morally complex realities, but some attempt in this direction could be worthwhile.

Andrew Yuengert takes on the second question entailed in the investigation of our fundamental proposition, as he employs modern Catholic social teaching to specify the goal toward which Catholic social thought directs human life. The ultimate goal, of course, is life with God, but moving toward that, Catholic social thought also requires a number of economic and cultural goals that would constitute this tradition's understanding of prosperity. Here, too, although a wide range of evidence will be needed to test the fundamental proposition, Yuengert also proposes for each concrete goal one or more empirically specifiable proxies that could be part of an econometric test of the proposition.

The second section of this volume comprises a number of historical views of issues related to the fundamental interaction of faith and economic life.

Stefano Zamagni takes a long historical look at the development of the institutions of capitalism, beginning in the Middle Ages. Importantly, he identifies the creation of fundamental economic institutions such as banks and corporations with the work of Franciscan friars in the thirteenth, fourteenth, and fifteenth centuries. Zamagni argues that the "civil economy" of those days kept in check the worst abuses that would otherwise arise and that the task for us today is to find ways to reinstate a version of a civil economy in the twenty-first century.

Vera Negri Zamagni looks at a more recent historical period and identifies the impact of Catholic social thought in Europe over the last 150 years. Focusing on the development of Christian democracy and the growth of labor unions in Europe, Zamagni identifies the concrete historical impact that Catholics and Catholic social thought have had on both political life and economic structures in Europe.

Vincent D. Rougeau and Daniel K. Finn each present an essay that looks at legal contracts, focusing particularly on the character of contracts that Catholic social thought would understand as unjust. Rougeau gives a brief legal history of contract law in the United States and identifies multiple ways in which it includes a bias toward market decisions and often excludes fundamental concerns of justice. Finn provides a moral evaluation of unjust contracts, identifying those criteria in the history of Christian views of economic life that have

been employed to judge a contract unjust and therefore in need of alteration or abrogation.

Mary L. Hirschfeld takes on the task of identifying the change in religious context since the time of Thomas Aquinas. Much of Catholic social thought is rooted in Thomistic natural law analysis, and this inheritance provides great richness to the Catholic view of economic life. However, the world in which Thomas lived was a thoroughly religious one, not characterized by the secularization that has occurred in our world today. Thus, Hirschfeld identifies strains and difficulties in any “translation” of ideas from Aquinas to our own context, something critically important for Catholics today who hope to persuade a secular world of a better way to organize the economy.

The third section of this volume brings together a number of economic issues related to our fundamental hypothesis and examines them in light of the Christian faith.

John A. Coleman investigates the notion of “social capital,” beginning with its development among sociologists and its eventual employment by economists and others. Coleman urges a conversation between Catholic social thought and theorists of social capital. On the one hand, the sociological notion of social capital includes elements (such as the claim that social capital is essential for wealth creation) that would be helpful to make more visible within Catholic social thought and, on the other hand, Catholic social thought includes insight into communal life and the common good that could enrich the notions of social capital as employed within social science.

Simona Berreta has taken on the task of examining the economic situation of women and what that would imply for any movement to a more just economic system. Depending on economic research from a number of public sources, Beretta outlines the difficult situation of so many women around the globe in their attempts to engage in economic life to provide for their families. Beretta argues that Catholic social thought has much to contribute in devising better economic policies to improve the status of women worldwide.

Paulinus I. Odozor, C.S.Sp. brings our attention to the questions of economic life and poverty in Africa. He looks carefully at patterns of life and economic interaction in Africa and argues that Catholic social teaching has important contributions to make (such as its deep concern for each individual and a commitment to the common good that transcends traditional tribal loyalties) in assisting Africans to bring about a sustainable economic prosperity.

Jon P. Gunnemann presents an analysis of capital as Spirit, an engaging and creative investigation that invites us to rethink the connection between economic life and Christian faith. Gunnemann argues that a proper understanding of

capital will require important changes both in the accountability of corporations and in our daily economic responsibilities as individuals.

Maylin Biggadike provides an ecofeminist analysis of economic life. She employs the work of the Brazilian theologian Ivone Gebara to broaden the usual concerns of economic science to include both a feminist and an ecological critique of existing patterns of analysis and practice. An Episcopal priest herself, Biggadike provides a Christian critique of some of the most fundamental presumptions that economists and others often have about daily economic life.

The final section of the book is provided by John Carr, who addresses a number of the difficulties that must be faced in moving from the scholarly analysis of the other essays in the book toward concrete action in public policy. Carr's long history as head of peace and of justice efforts of the U.S. Conference of Catholic Bishops provides an abundance of experience for analyzing the difficulties and hopes for the transition from thought to action.

As editor of this volume I am aware of debts to a number of important contributors to this work beyond the authors of the essays. Most important here is Paul Caron, who has codirected the True Wealth research project with me and has been a constant source of creative insight and dogged perseverance in both the creation of the project—the conference from which these papers arose—and of the long-term research project itself. I am also grateful for the work of two other members of the steering committee of the True Wealth project in this era: Clifford Longley and Father James Heft, S.M. Their careful thinking, clear planning, and insightful analysis of the process have greatly enriched this book. I'm also grateful to Sheila Garrison for the wonderful logistical support she gave to make the conference possible. To Judy Shank, who has faithfully attended to draft after draft of the essays in this volume, to Tylor Klein and James Foley, for research assistance, to Donald Wigal for creating the index (and Catherine O'Reilly for her assistance there), and to the editors at Oxford University Press, J. D. Daniels, Cynthia Read, Gwen Colvin, Charlotte Steinhardt, Justin Tackett, and others, I am deeply in debt. We are also indebted to the intellectual, moral, and financial support for this project provided by Ernesto Rossi di Montelera and Anthony Brenninkmeyer.

In sum, this volume represents an effort to integrate Christian faith and social scientific analysis. Preliminary reactions to the True Wealth of Nations project have been quite encouraging. Parts of the research to date have been presented at the Association of Christian Economics in January 2009, where reactions were universally positive and where several Protestant economists reported finding the heavily Catholic analysis very valuable. A similar reaction came from World Bank staff at a workshop sponsored at Georgetown University

by the Berkley Center for Religion, Peace, and World Affairs and the Woodstock Theological Center.

The participants in this project remain convinced that the prosperity of all peoples and sustainability of our planet depend on a more careful and creative interplay of faith and wealth creation. We have made a beginning, but much work remains, challenging, hopeful, and exciting work.

NOTES

1. John Paul II, *Centesimus Annus*, para. 32.

I

What Does Catholic Social Thought Recommend for the Economy?

The Economic Common Good as a Path to True Prosperity

Albino Barrera, O.P.

It is remarkable that during the long history of Catholic social thought (CST) no one seems to have attempted to list all its recommendations for how economic life should be conducted. Because the True Wealth of Nations project sets out to investigate the claim that implementing Catholic social thought would put us on a path to sustainable prosperity for all, this chapter attempts to set out what it is that Catholic social thought recommends for the economy, and the next chapter, by Andrew Yuengert, sets out to describe how we would know whether we had achieved “sustainable prosperity for all.” This chapter will begin with the notion of the economic common good as the way into understanding what CST recommends, will review the scriptural foundations for the Catholic view of economic life, and will then move to more concrete identification of those recommendations.

Economic Common Good as Point of Entry

Although urgently needed today, identifying exactly what Catholic social thought recommends for the economy is not a straightforward

exercise because of several methodological problems. First, the tradition is extremely broad and ranges from official Church documents to scholarly monographs to commentaries geared for a general audience.¹ Second, the tradition does not have a single overarching conceptual framework.² Third, in those infrequent instances in which modern Catholic social documents advance concrete proposals for the economy, there is the problem of context dependence. Fourth, related to this problem, it is difficult to deal with the shifts and the clashing emphases within this tradition.³ Fifth, not all concrete or general proposals carry equal weight.⁴ Finally, modern Catholic social teachings tend to avoid making concrete recommendations for the economy and stay at a high level of generality.⁵ Because they are directed to people in widely differing circumstances across the globe, these social documents offer prudential guidelines in the form of principles.

In the face of such widely varying situations it is difficult for us to utter a unified message and to put forward a solution which has universal validity. Such is not our ambition, nor is it our mission. It is up to the Christian communities to analyze with objectivity the situation which is proper to their own country, to shed on it the light of the Gospel's unalterable words and to draw principles of reflection, norms of judgment and directives for action from the social teaching of the Church.⁶

Yet in spite of the wide diversity of views within this tradition, there is consensus on the central importance of promoting the common good. The common good is acknowledged to be the overarching concern within which competing social claims must be adjudicated, including the inevitable clashes and hard trade-offs that communities will have to make in working toward the four goods that Yuengert has argued are constitutive of “sustainable prosperity for all” in his essay in this volume. The centrality of the common good in CST cannot be overemphasized.⁷ Thus, in any summary of what CST recommends for the economy, we should expect a wide array of social principles stemming from the notion of the common good.

Unfortunately, there are significant limitations in the tradition's explanation of the common good as it currently stands. These deficiencies come to the fore whenever we apply CST to concrete issues, as in the case of the economy in the True Wealth project. The most recent official synthesis of CST defined the common good as “the sum total of social conditions which allow people, either as groups or as individuals, to reach their fulfillment more fully and more easily.”⁸ It was the same definition adopted by Vatican Council II in *Gaudium et Spes*⁹ and by the *Catechism*.¹⁰ This definition, first proposed by John

XXIII in *Mater et Magistra* (#65),¹¹ has yet to be expanded despite major developments in theological social ethics in the last half century.

The shortcomings of this definition are apparent: it is abstract and open to ambiguity in its implementation. In particular, what are these social conditions? How does one define human fulfillment, and what does it mean in practice on the ground? Papal teaching is silent on these questions, thereby making it much more difficult to come to an agreement on the specifics of what CST actually recommends for social life and the economy.

Of course, there is also an advantage, to such an open-ended specification of the common good, because locking in this central concept to any particular view of social life goes against the very nature of CST—an extremely rich, living tradition that continues to grow and develop over time. Nonetheless, we cannot avoid a more precise understanding of the common good if we are to apply it in practice. Fortunately, we can strike a balance between greater specificity and an open-ended architecture of analysis. The tradition itself provides enough insights and teachings that permit a more nuanced and workable understanding of the common good without having to subscribe exclusively to any single definition of the common good. A conceptual middle ground is possible.

The Minimum Conditions of the Economic Common Good

Because of the immense richness, complexity, and dynamism of the human community, it is daunting if not impossible to list all the characteristics of the common good. However, we can make real progress on this effort if we focus our discourse on the minimum conditions that must be present for human flourishing. Both secular and theological literatures analyze many of the characteristics of the common good, and specifying these minimum conditions for the existence of the common good allows us to say something concrete and substantive on what CST recommends for the economy.

Given the focus of the True Wealth project and the limitations of space here, we will further limit the scope of this inquiry to the common good in the economic realm. We must recognize, of course, that this limitation means we are taking only a first step. After all, the common good encompasses all spheres of social life, not just the economic; it must balance claims of both current and future generations; and it deals with a wide range of goods, not simply economic ones. However, we can also note that many of the economic common good's minimum conditions we identify in this study will most likely apply just as well to the common good in noneconomic spheres.

Scriptural Foundations for the Economic Common Good

It is clear that “*the Common Good*,” used in its proper sense, is God, our Final End. However, the ordinary use of this term is analogical and pertains to the functional integrity of the person and community. Because modern Catholic social documents give only a general statement of the common good, it is helpful to look to earlier periods in this tradition of social thought for important insights into the common good. Here Sacred Scripture is extremely helpful, since compared to patristic and scholastic social thought it provides a more sustained, focused, and comprehensive treatment of economic life. In addition, its economic norms and insights are more easily grasped, as they are embedded in vivid narratives in history.

In Scripture, we discover some of the minimum conditions that must be satisfied in any economy that aims to promote the common good. After all, it is the narrative of peoples of faith struggling mightily to create the social conditions essential for building a nation (in the case of Israel) and a community of love (in the case of the early church). Not surprisingly, Scripture’s economic precepts are about the promotion of a corporate good. We can learn much from the Hebrews and the early church, as we in our own turn seek to advance our common good.

Biblical *sedeq* is an essential backdrop for the common good. In modern terms, *sedeq* is translated as “righteousness” or, more commonly, “justice.” Besides providing scriptural warrants for the common good, *sedeq* highlights the fundamentally relational nature of the common good. Scholars agree that *sedeq* is a central theme of biblical theology.¹² God’s activity and attributes are its prime analog. Note the following four dimensions of divine righteousness:¹³

- *Sedeq* as an innate quality of God (e.g., YHWH’s Covenant fidelity, loving-kindness, and justice).
- *Sedeq* as the due order in God’s plans (e.g., creation; the Law).
- *Sedeq* as God’s saving act (e.g., Exodus liberation; postexilic restoration; Calvary).
- *Sedeq* as an empowering divine gift to humans to continue the work of God and as a divine invitation for people to be righteous themselves (e.g., Covenant election; Kingdom discipleship).

All four dimensions of divine righteousness are descriptive of elements of the common good. All four point to the natural and moral order in human life and existence.

As we see in the accounts of creation in Genesis, the Lord of creation acts with purpose. The creative activity of God is not arbitrary or whimsical but follows a divine plan, one that is all encompassing, for nothing lies outside the purview of divine sovereignty.¹⁴ Moreover, God, as the Lord of creation, sustains creatures in continued existence and provides for them by working through creatures themselves. For example, God could have provided directly for humanity's needs without involvement of any creature. Instead, God chose to provide for humanity's needs through the gifts of the earth and through mutual solicitude of persons in community. In the same way, the Lord of creation could have directly cared for the earth. Instead, God entrusted the earth and its creatures to humanity's stewardship.

Furthermore, the Lord of creation is also the Lord of history. God is not going to stand idly by while evil wreaks havoc on the order of divine creation. God confronts that evil, holds back the ensuing chaos, and maintains that order. We have repeatedly seen this in the account of the flood in Genesis, in the Exodus liberation, in the release from Babylonian captivity and the resulting postexilic restoration, and most of all, in the incarnation, death, and resurrection of Jesus Christ. God has repeatedly broken into human history to restore and sustain the order of the divine plan.

But there is much more to divine righteousness. The Lord of history has gone even further by eliciting human participation both in confronting the evil and the chaos that continually mar this divine order and in restoring and maintaining such order. Thus, it was not sufficient for YHWH simply to liberate the Hebrews from enslavement. YHWH put them in a land flowing with milk and honey, and as the Chosen People of God, they were to be instrumental in bringing all the nations to the mountain of the Lord in the New Jerusalem (Isa. 2:2-4). They were to be a nation different from all the other nations in the way they cared for one another and in the way they lived their religion in their economics and politics.¹⁵ And so it was with the Christian disciples. They were to partake in building the kingdom of God inaugurated by Jesus in the manner they loved one another both in word and in deed (Luke 10:25-37). Indeed, Scripture's concrete economic moral norms were intended to bring about social conditions consistent with the divine order of creation.

In both the Old and the New Testament, we see the promise of a material sufficiency that is contingent on people's fidelity to their divine election. In the case of the nation Israel, we repeatedly see that prosperity and tenure in the Promised Land were dependent on how well they lived up to the terms of the Covenant. There was supposed to be no poor among them, if only they lived up to YHWH's plans (Deut. 15:4-8). In Matthew (6:25-34) and Luke (12:22-31), we have the promise that there is no need for economic anxiety as long as we

genuinely pursue the kingdom of God. From these, we get a glimpse of what human fulfillment is about: it includes the divine gift of material sufficiency for all, a gift that can only be actualized with moral economic behavior.¹⁶ Human fulfillment has both economic and moral dimensions.

Biblical *sedeq* affirms the existence of a natural and moral order that serves as the larger conceptual backdrop of the common good. This natural and moral order provides the terrain on which the common good is actualized. Thus, at a minimum, we can ascribe the following characteristics to the common good:

- The common good is merely part of and serves a divinely created order that is specific in its natural and moral requirements. Thus, the common good is subject to objective standards.¹⁷
- The pursuit of the common good is an avenue by which humans partake of divine activity in sustaining this order of creation. Hence, far from being an imposition, work for the common good is an unmerited divine gift of human participation in divine governance and in God's righteousness and holiness.
- Just like *sedeq*, the common good is about having everything in its proper place, with all the requirements of relationships duly fulfilled.¹⁸ Simona Beretta, in her essay in this volume, employs a wonderful phrase borrowed from von Baltazar to describe this characteristic when she says that Catholic social thought has "a symphonic nature."

In sum, the biblical theme of *sedeq* (righteousness or justice) provides an excellent scriptural foundation for the notion of the common good.

A Terrain for Sustainable Prosperity for All

Fundamental Commitments in an Enduring Prosperity

In his essay in this volume, Andrew Yuengert argues that sustainable prosperity for all entails the simultaneous attainment of "goods of a personal character, goods of personal initiative, social goods, and material goods." This is not an easy task. However, Sacred Scripture provides eye-opening narratives of the essential commitments and the spirit with which we ought to pursue these requisite goods of enduring prosperity.

Scripture provides several vivid glimpses of various dimensions of the economic common good: Micah's (4:1–5) eschatological description of every man sitting under his own vine and his own fig tree, the promised abundance

and tenure on the land flowing with milk and honey in the prophetic literature and the law codes, the Deuteronomist's (15:4–8) claim that there would be no poor among the Hebrews if only they would follow the Law, and the anxiety-free discipleship of Matthew (6:25–34) and Luke (12:22–31). Note the following similarities in these biblical images.

First, the road to true prosperity necessarily includes material sufficiency, at the very least. People should be able to satisfy their basic needs without having to exert themselves in unduly long and hard work. They enjoy peace of mind in knowing that they have ready access to the material requirements of continued existence and secure growth. Norbert Lohfink¹⁹ is emphatic that we should not romanticize material poverty, because this is not God's intention for us. God's gift is one of plenitude, not a hard life of precarious subsistence. God is keenly interested in our material well-being. The Genesis accounts of abundance in creation, the dominion mandate, and the Hebrews' description of the Promised Land as one flowing with milk and honey all corroborate Lohfink's claim, that whether as the Lord of creation or the Lord of history, God is always provident in looking after human needs. The material abundance that contributes to the economic common good is consistent with the goodness God saw after each act of creation (Gen. 1).

Second, moral agency plays a pivotal role in bringing about this genuine prosperity. Human agency cuts both ways. It can ruin the economic order, debase human life, and inflict much harm; or it can ennoble life and be instrumental in God's unfolding providence. In contrast to the erroneous view that economic life is determined by immutable "mechanical" laws of nature,²⁰ CST contends that the gift of material sufficiency in God's order of creation is contingent on human choices. A virtuous, morally upright life is essential to seeking true prosperity.

Third, material sufficiency is not the ultimate end. It is simply a means to the more important goal of resting in the Lord. Plus, it has been said that the suspension of work and rest in the Lord on the Sabbath day is proleptic, a foretaste of the greater goal that we await.²¹ Our earthly state and accomplishments, while important, are means to the greater transcendent end we have in God. Paul VI²² was emphatic that "development" is neither principally nor primarily an economic phenomenon but moral in nature. This is likewise true for economic development because its end lies not in providing people with a much larger choice set but in affording everyone the socioeconomic conditions for a flourishing life.

Fourth, true prosperity must include everyone. A community that is on the road to achieving its common good is necessarily imbued with the highest of human values of love, truth, freedom, and justice. It is a community of caring, compassion, and sharing.

In sum, true prosperity requires a ceaseless effort to promote the economic common good. It has both material and spiritual requirements and outcomes. It involves the actualization of integral human development, that is, the development of the whole person (body, mind, and spirit), with no one excluded. It is a divine gift whose fruits are contingent on the proper exercise of moral agency. The economic common good has an eschatological dimension in the foretaste of that which is yet to come as we rest in God with peace, joy, and security, even in the here and now.

Constitutive Means to Enduring Prosperity

Figure 1.1 presents a schematic overview of what the economic common good requires in practice. A fundamental commitment to work for the human fulfillment of all is a necessary condition. Such human flourishing necessarily reveals the beauty and the nature of human dignity. The principle of integral human development defines such human fulfillment more concretely. It is to flourish in God's gifts to humanity, as seen in the Genesis accounts of creation (Gen. 1–2): the gift of the self, the gift of each other, and the gift of the earth. We cannot claim to be working toward the common good if we do not discharge our responsibilities in light of these three gifts.²³ At a minimum, human fulfillment is about living up to the full potential afforded by each of these three gifts; to flourish in human life is to blossom in all three gifts.

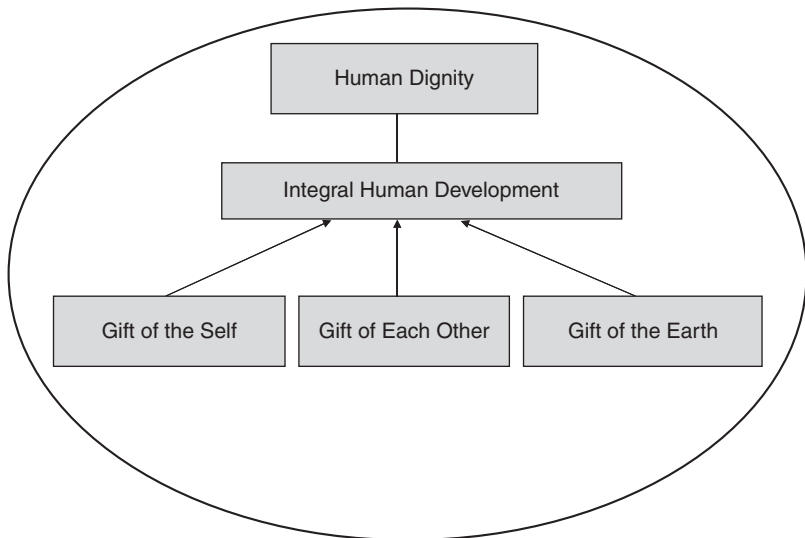


FIGURE 1.1. Elements of the Economic Common Good

It is also essential to view human life and experience through the prism of gifts, a theme that Simona Beretta emphasizes in her essay in this volume. First, the language of gift reminds us of the unearned nature of all that we have. We have nothing to boast about that is genuinely ours. Human accomplishments are not and can never be in competition with God's. Second, an appreciation for life as a gift leads us to use the language of obligations, not simply of rights. Our duties are more basic than our claims. Such a focus flows directly from an understanding that everything we have is a trust received from God. Moreover, we are privileged to be instrumental in making these gifts bloom in their fullness as part of the order of creation.

People reach the heights of human fulfillment to the degree that they bring out the best in these gifts of the self, each other, and the earth. Such accomplishment leads us to a better understanding of the profound possibilities latent in human dignity. More important for this paper's thesis, bringing out the fullness of these gifts, to the extent that is humanly possible, is a necessary condition for sustainable prosperity for all.

Thus, in practice, attaining true wealth requires a fundamental commitment to the following essential intermediate means:

- Pursuit of an overarching common good
- Integral human development for self
- Integral human development for others
- Care of the earth

Pursuit of an overarching common good: This involves working to attain biblical *sedeq*, with everything in its proper place and the demands of all relationships satisfied accordingly. This entails a union of hearts and minds and an overall level of satisfaction among members of the community. People have a shared vision of the good or at least a shared conception of what justice is.²⁴ In concrete terms, this entails promoting harmony within community, with strife and violence kept to a minimum. Stefano Zamagni's notion of the civil economy, articulated in this volume, is an example of this. Such harmony manifests itself in the various elements of Yuengert's four constitutive goods and in Finn's *The Moral Ecology of Markets* (p. 45), that is, in the provision of essential goods and services; in the vibrancy of civil society; and in the probity and integrity of individuals, groups, and governments.

Integral human development for the self: Development is human and integral only to the degree that people flourish across the entire range of their personal gifts—body, mind, and spirit.²⁵ This requires maintaining balance in both one's temporal and spiritual activities. The Hebrew regimen of work, the study of

Scripture, and worship and rest in the Lord are fine examples of such a path toward human fulfillment. In concrete terms, this means that people live in the heights of the human values of truth, freedom, justice, love, and friendship. They enjoy culture and a vibrant spiritual life, avoiding the pitfalls of consumerism and materialism.

Integral human development for others: In its social dimension, the principle of integral human development calls for the authentic personal development of everyone, no one excluded.²⁶ In concrete terms, this means that socioeconomic life should bring about mutual advantage for all, by how well integral human development is attained by members of the community. Every person is treated as an equal, deserving of respect as a person. The integral development of the self and others requires enormous effort and constant renewal given their incessant and often sacrificial demands.

Care for the earth: It is impossible for humans, whether as individuals or a community, to be truly fulfilled unless they have discharged their obligations implicit in the dominion mandate of Genesis 1. The Hebrews appreciated the centrality of this dominion mandate to human life. Work, collaborative sharing, and the care of the earth are not bothersome impositions or peripheral concerns; like the creating of wealth, they are at the heart of what it is to be human and are constitutive of the order of divine creation. In concrete terms, the functional integrity of the ecology must be maintained. At a minimum this requires balance between the demands of economic development and the preservation of the ecology and balance in satisfying the needs of current versus future generations. Both of these require economic and technical efficiency in the judicious use of the earth's gifts.

Social Principles

Catholic social thought proposes a set of social principles that identifies the means to attaining enduring prosperity. Given the need to keep this exposition short and in order to give readers an overview of the entire framework, figure 1.2 shows the modern social principles in relation to one another and to the economic common good. These principles reflect many of the socioeconomic norms of Sacred Scripture.

GIFT OF THE SELF. The principle of subsidiarity states that people should not depend on others or higher bodies for what they can and should be doing for themselves, for others, and for the community.²⁷ We find this exemplified well in Scripture in the manner by which neither the Hebrews nor the early church expected the state to provide direct relief to those in need. They themselves

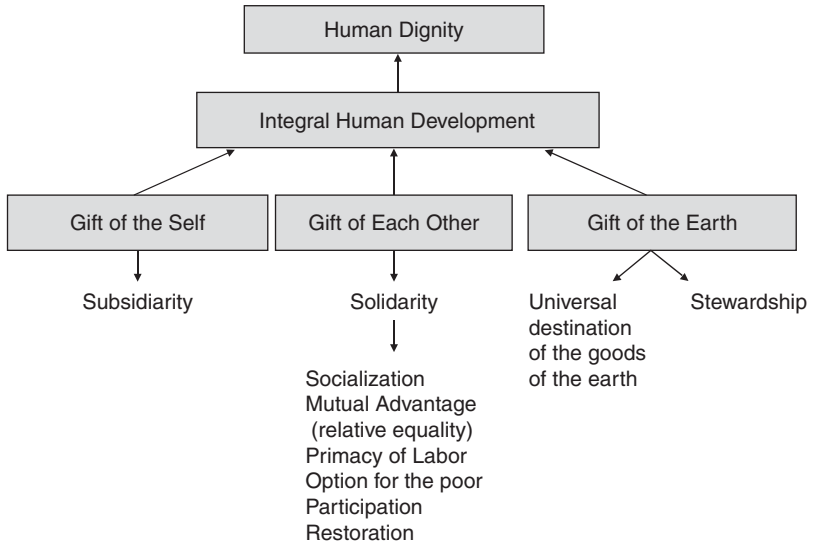


FIGURE 1.2. Framework for the Economic Common Good

provided such assistance out of their own substance. Moreover, they were not supposed to be a burden on the community but were obligated to provide for themselves, to the extent possible, through gainful work (2 Thess. 3:6–15). This is also evident in the great care with which the nation Israel ensured that every family had a plot of land for their livelihood. Thus, recall the land division in Jonah, and the laws on land redemption and land return.²⁸ The same sentiment is operative in Paul’s work ethic and teachings (1 Cor. 9; 1 Thess. 2:6–10).

In concrete terms for the economy today, a thriving private sector is a necessary condition for the satisfaction of the principle of subsidiarity. People take responsibility for their own integral human development. Moreover, they attend to social ills themselves, to the extent they have the necessary resources, without having to rely on or wait for governmental action. Thus, it is not surprising that Yuengert identifies goods of personal initiative as constitutive of enduring prosperity for all.

GIFT OF EACH OTHER. Solidarity is an active and genuine concern for the welfare of others because we see them as brothers and sisters, children of God like us.²⁹ In practical terms for the modern marketplace, this translates to empathy and supererogatory acts for others. There is a vibrant civic spirit, with people and groups contributing their share in building and sustaining the community. The principle of solidarity finds further concrete expression in the following allied principles:

- Socialization
- Participation, relative equality, and mutual advantage
- Primacy of labor
- Preferential option for the poor
- Restoration

Socialization is the obligation incumbent on those who possess the resources to be proactive in intervening and providing assistance to those who are no longer able to function for their own good or for that of the community. This is the spirit that undergirded many of the Scripture's precepts calling on the Hebrews to assist the widows, orphans, aliens, and those who had fallen on hard times. In our economy today, socialization is best seen in the extent to which personal, governmental, and NGO assistance is readily available for those who are in distress.

The principle of participation calls for mutual advantage for all in our shared socioeconomic life. Every person is given the opportunity and the means to partake in the community's socioeconomic life. Again, we find this illustrated in the land distribution after the conquest and in the land-return provision of the Jubilee Law. Besides the theological import of land as the tangible sign of the Hebrews' Covenant election as the Chosen People of God, land was also the principal source of livelihood and the means by which households maintained their independence and participated as equals in the community. Thus, land return and land redemption kept inequalities within limits. In practical terms today, such a principle of participation and mutual advantage means nonexclusion and the meaningful incorporation of all in socioeconomic life (e.g., affirmative action programs). Excessive inequalities are *prima facie* evidence of a failure to live up to the requirements of the principle of participation and mutual advantage.

The primacy of labor principle requires treating workers with respect, as human beings and not as things or mere factors of production. The dignity and obligation of work are affirmed in the Genesis dominion mandate, in the Jubilee return of land, and in the Pauline work ethic. In contemporary terms, this principle calls on the community to provide living wages, meaningful employment opportunities, and humane working conditions. It also calls on individuals to have a Pauline work ethic in assiduously contributing their share to the common productive effort and in embracing work as a divine gift, a privilege, rather than an imposition or toil. This principle also affirms the right of workers to form unions and engage in responsible collective action.

The preferential option for the poor calls people to look after the vulnerable and the marginalized with even greater care in light of their more pressing needs. This is a principle that can be traced directly back to Scripture. Far from

taking advantage of the vulnerable and the defenseless, there is a duty to provide actively for their needs. A practical application of this principle today would be along the lines of a progressive incidence in the distribution of the benefits and burdens of fiscal policy. Taxes are levied according to people's ability to pay, and benefits are dispensed according to people's needs. Special attention is devoted to setting up a social safety net that attends to the needs of the poor.

According to the principle of restoration, the community has an obligation to attend to the adverse unintended consequences of market operations.³⁰ Debt forgiveness, slave manumission, land return, redemption of a kin from bondage, and interest-free loans were means by which the Hebrews sought to restore those who had fallen on hard times as independent land-holding households. In contemporary terms, this calls for the establishment of mechanisms and institutions (both governmental and private) that ameliorate the severe ripple effects of market operations, particularly on those least able to bear them. For instance, in the case of globalization, this would include trade-adjustment assistance and job-retraining programs.³¹ Bankruptcy and credit-assistance programs are similar examples of morally important restorative mechanisms.

GIFT OF THE EARTH. In the principle of the universal destination of the goods of the earth, it is understood that the gifts of the earth are meant for the benefit of all regardless of how titles of ownership are assigned.³² We find this principle operative in the Genesis dominion mandate, in the gleaning law, in almsgiving and tithing, in the division of the Promised Land, in land redemption, and in the land-return provision of the Jubilee Law. For us today, this principle requires an array of public policies. There must be respect for private property ownership, balanced by provisions that enforce just-use obligations or impose restrictions on such private ownership (e.g., zoning, capital gains tax, estate tax). Superfluous income or wealth should be used for the benefit of the propertyless.³³ Furthermore, this principle calls for the satisfaction of basic needs for all. In the contemporary global economy of abundance, the large swaths of the global population that lack food, basic health care, safe drinking water, sanitation facilities, and education are an indictment of us all in failing to live up to this principle.

The principle of stewardship calls for an appreciation for both the earth and our personal gifts as trusts we have received from God. The dominion mandate in the creation accounts of Genesis illustrates this principle. For our generation, this entails minimizing our ecological footprint and improving our environmental bequest to future generations. Moreover, it calls for a non-idolatrous and nonproprietary attitude toward wealth and possessions.

Consequently, the principle of stewardship overlaps the principle of integral human development in condemning avarice and wasteful, conspicuous consumption.

In sum, modern Catholic social documents were written in response to the burning social questions of their day, and, consequently, they present a network of social principles without an overriding unity. Sacred Scripture partly addresses this deficiency by providing a vivid narrative—a story of human longing and struggle that people of any generation can identify with. For their part, the modern social principles provide both a conceptual structure and a venue that make the biblical narratives relevant and applicable for our own day. *Scripture provides the narrative with its compelling power, while the modern social principles supply the language with which to translate it for contemporary economic life and policy.* This essay has used both of these resources to propose an architecture of analysis with which to frame CST's recommendations for the economy.

CST as It Might Look in Practice

The overarching model summarized in figures 1.1 and 1.2 should be used only as a single framework. The tradition's social principles and teachings cannot be used piecemeal. Thus, unlike Marxism or libertarian capitalism, CST pursues a more difficult path of balancing twofold objectives in a mixed economy.³⁴ It has an appreciation for the beneficial services provided by market operations even as it calls for extra-market interventions to mitigate the market's unintended consequences and excesses. Contrary to the claims of commentators from both ends of the political spectrum, CST neither dismisses nor fully embraces the market economy. We see this in the manner by which CST:

- affirms both the right to private property ownership and its attendant just-use obligation.
- relies on both the private sector and government as agents of development.³⁵
- encourages freedom of enterprise and private initiative, even while calling for more safeguards to protect labor's interests.
- lauds both market and nonmarket allocative mechanisms.
- accepts both efficiency and equity as essential goals in political economy and is attentive to both the allocative and distributive dimensions of the price mechanism.

- sees the need for government's role in guaranteeing economic rights even as it views integral human development as primarily the obligation of the individual.

These six “double” objectives should not come as a surprise, because they flow from the multidimensional nature of CST. Each part of this vision balances the claims of another part. For example, the principles of subsidiarity and socialization provide a delicate balance between private initiative and state action. Integral human development calls for the human person to flourish in body, mind, and spirit. The principles of stewardship, universal destination of the goods of the earth, and primacy of labor affirm both private property rights and their concomitant just-use obligation. Attaining proper balance between these objectives is what makes political economy more art than exact science. It is also what makes prudential judgment extremely important in the Catholic social tradition.

The importance of such a balanced, broad-based approach is well illustrated in the 2008 global financial meltdown. There were many contributory factors that led to this economic crisis. A widely acknowledged lead cause was the failure of regulatory oversight. The public swing toward dismantling government regulations in the wake of the “Reagan revolution” and its fundamental belief in unfettered markets led to a greater reliance on the private sector to police itself. Not only did the U.S. and EU governments remove proven, long-standing safeguards that had been instituted in the aftermath of the Great Depression, but also they refused to exercise even minimal oversight of ever more complex and nontransparent investment instruments and practices (e.g., derivatives and hedge funds) as part of global financial integration. With the benefit of hindsight, we now know that markets are not self-healing and are in fact prone to being abused in the absence of a regulatory framework.

In contrast to such a philosophical commitment to a minimal “night watchman” view of government, CST calls for balance between government and the private sector. Both are necessary agents of development and economic activity. This social tradition has long been critical of the extremes of both laissez-faire capitalism (in its aversion to governmental supervision) and Marxism (in being enamored of collectivism and heavy-handed state intervention). CST's balanced approach is consistent with what has long been known in the literature: truly functional markets are undergirded by extramarket institutions that require deliberate design and maintenance. Both the principles of subsidiarity and socialization (solidarity) are indispensable in maintaining a stable political economy. Twentieth-century economic history is replete with lessons (e.g., the Great Depression, failed Soviet states) that neither principle can be sacrificed in pursuit of the other.

But there is an even deeper and more sobering cause of the 2008 economic crisis that truly highlights the distinctive contribution of CST to what constitutes true wealth. The near total collapse of the global financial system revealed a widespread malaise of avarice and greed, of seeking quick gains that were legal but not necessarily moral, much less virtuous. This was true across the board, from the people who were buying their dream houses that they knew were beyond their means; to the unscrupulous loan brokers and lenders who enticed borrowers with low “teaser” rates while hiding the true interest charges in fine print; to the financial-banking institutions, hedge funds, and insurance companies that highly leveraged their lending and borrowing; down to the ordinary investors demanding ever-higher but riskier returns. There was failure all around and blame to share across a broad spectrum of the global society. The 2008 financial crisis stands as an indictment of that society for having forgotten what economic life was truly about.

This malaise of avarice and greed highlights the value of CST’s starting point, that the true prosperity is not about easy gains or wanton accumulation. The end (*telos*) of economic life is the development of every person and the whole person: mind, body, and spirit. Anything else is fleeting. The dotcom and the housing bubbles of the last decade are proof indeed that the real metric of wealth is whether or not it ennobles and affirms life and virtue. Thus, CST has been adamant that development is not merely, or solely, or even primarily economic in nature. It is a moral phenomenon.³⁶ Human progress is authentic and enduring only if it flows from and contributes to a development that is integral and human.

So what does CST recommend for the economy? In concrete terms, this social tradition recommends what we would call in economic parlance a “mixed economy.” But it is an economy that is attained only through a vigorous commitment to the common good and its constitutive social principles. It is only in this spirit that enduring prosperity for all is attained.

Table 1 provides an outline of how Catholic social teachings on the economy might look in practice for developed countries like the United States and the EU. This is neither an exhaustive list nor the only set of policies consistent with CST. Since CST stays at the level of generalities and principles, many policy postures are consistent with this tradition. Table 1 illustrates the manifold ways of attaining enduring prosperity. After all, CST is an open-ended, harmonic living tradition subject to both continuity and change. Nonetheless, we can say that at a minimum, what Catholic social thought recommends for the economy is the notion of the common good together with its accompanying social principles. These are necessary building blocks in the True Wealth project’s goal of developing an architecture for the analysis of economic life.

TABLE I CST on the Economy As It Might Look in Practice

Part I: Economic Agents	
A. Government	
Concrete Obligations	Measurement
Progressive Taxation	<ul style="list-style-type: none"> Composition of government revenues (income tax, estate tax, capital gains tax) Tax structure, loopholes and exemptions Tax incidence Sumptuary laws (e.g., luxury-goods tax)
Economic Rights (food, clothing, shelter, medical care, employment, education)	<ul style="list-style-type: none"> Codification of economic rights in the constitution or in legislation Unemployment insurance, food stamps Housing assistance Energy assistance Trade adjustment assistance Percentage of population without health care insurance Job-training and placement programs Universal primary and secondary education Subsidized college education
Mitigating Consequential Adverse Pecuniary Externalities	<ul style="list-style-type: none"> Trade adjustment assistance Unemployment insurance, food stamps Housing assistance Energy assistance Bankruptcy protection (e.g., chapter 11 laws)
Labor Protection	<ul style="list-style-type: none"> Minimum and living wage mandates Work safety oversight
Consumer Protection	<ul style="list-style-type: none"> Product safety oversight Truth-in-advertising oversight
Private Sector Promotion	<ul style="list-style-type: none"> Property rights enforcement Bankruptcy assistance and protection Small and medium scale industry assistance Affirmative action in awarding of government contracts Freedom index Size and vibrancy of private sector Size and vibrancy of NGOs
Ecological Responsibility	<ul style="list-style-type: none"> Carbon tax Emissions caps Energy use efficiency mandates/incentives (e.g., for homes, factories, towns, etc.)
Relative Equality	<ul style="list-style-type: none"> Affirmative action Poverty alleviation programs UN Millennium Development Goals Measures of relative inequality Gini coefficient of social measures

(continued)

TABLE I Continued

A. Government	
Concrete Obligations	Measurement
	Absolute and relative poverty measures
	Progressive taxation
	Sumptuary laws (e.g., luxury-goods tax)
	Size and vibrancy of middle class
Intergenerational Equity	Size of fiscal deficits and debt
	Unfunded Medicare and social security liabilities
Promotion of Family Life	Pro-family legislation (e.g., family leave)
	Tax structure (e.g., child deduction, "marriage penalty," etc.)
	Educational assistance
	Fiscal incentives and subsidies (e.g., IRA, etc.)
International Relations	Socioeconomic assistance to emerging nations
	Proportion of socioeconomic and military foreign assistance
	International cooperation on economic and security goals
B. Households	
Concrete Obligations	Measurement
Responsible Consumption (as indirect employers)	Recycling rates and patterns
	Consumption patterns
	Household budget survey (census)
	Boycott of unethical firms
	Carbon-footprint offset initiatives
Obligation to Save	Savings rate
Investment in Children	Household time-use surveys
	Expenditure on children
Philanthropy	Rate of charitable giving
	Volunteerism
Self-Investment and Self-Help	Measures of human capital development
Social Responsibility	Active socially responsible investing
	Passive socially responsible investing
C. Business	
Concrete Obligations	Measurement
Labor Protection	Humane working conditions
	Living wage
	Ongoing worker skills development
	Equal employment practices

Consumer Protection	Safe products and services (e.g., product safety recalls) Useful products and services (e.g., truth in advertising)
Shareholder Protection	Transparency and accountability Executive pay and perks
Environmental Protection	Expenditure on ecological protection Product and production-process impact on ecology
Social Responsibility	Stakeholder rather than shareholder orientation Active socially responsible investing Passive socially responsible investing Alternative working arrangements (co-ownership, co-management, profit-sharing) Affirmative action
Philanthropy	Rate of charitable giving, volunteerism

Part II Markets Input Markets (Domestic and Foreign)

A. Labor

Concrete Obligations	Measurement
Ban on Human Trafficking	International and national efforts at stemming human trafficking International and domestic assistance to victims.
Strict Restrictions on Child Labor	International and national efforts at minimizing and eventually eliminating child labor International and domestic assistance to child laborers and their families Worldwide harmonized legislation on child labor
Responsible Unionism	Measures of transparency in internal union affairs Disruptive union action (e.g., wildcat strikes, public utilities strikes, etc.) Anecdotal accounts of union corruption
Labor Protection and Promotion	Humane working conditions Living wage Ongoing worker skills development Equal employment practices Harmonized worldwide labor standards Labor strife, activism, and complaints Anecdotal accounts of sweatshops Unemployment and underemployment rates Costs incidence of labor protection
Immigration as a Vehicle for Mutual Advantage and Poverty Alleviation	Immigrant protection Cross-border remittance Immigrant wages and working conditions Social services and safety net for immigrants Anecdotal accounts of discrimination
Offshore Outsourcing as a Vehicle for Poverty Alleviation	Poverty-related preferential trade arrangements

(continued)

TABLE I Continued

B. Capital	
Concrete Obligations	Measurement
Foreign Direct Investment as a Vehicle for Poverty Alleviation (non-exploitative investing)	Technology and skills transfer Repatriated profits Extent of domestic forward and backward linkages Extent of domestic spillover effects Anecdotal accounts of one-sided contracts and bribes for corrupt local governments
Nonspeculative Investing	Short-term portfolio flows Capital market restrictions Foreign exchange market turnover
Passive Socially Responsible Investing	Investment prohibitions Governmental and corporate policies linking commercial policy and human rights Boycotts of odious governments and unethical firms
Active Socially Responsible Investing	Microfinance initiative Social entrepreneurship
Environmental Protection	Harmonized worldwide environmental standards Empirical studies of "pollution haven" phenomenon
Output Markets (Domestic and Foreign)	
Concrete	Measurement
Fair Trade	Cost incidence and ripple effects of trade restrictions (e.g., agricultural subsidies, quotas) Anecdotal accounts of bribery and local-government corruption Corruption index (e.g., Transparency International) Cost-benefit analysis of international, regional and bilateral trade agreements
Trade as Vehicle for Poverty Alleviation	Poverty-related preferential trade arrangements Compulsory licensing of life-saving drugs Price discrimination of essential goods/services (e.g., price breaks)
Consumer Protection	Safe products and services (e.g., product safety recalls) Useful products and services (e.g., truth in advertising) Protection against price-gouging Anti-trust legislation and enforcement

Environmental Protection	Expenditure on ecological protection Product and production-process impact on ecology Carbon-footprint offset initiatives
Non-Exploitative or Dishonest Trade	Dirty industries exported to desperately poor countries Unsafe, rejected, or recalled products sold to poor countries
Strict Restrictions on Trade in Arms	Linkage between commercial trade in arms and human rights

Notes and Limitations

1. I used the circular flow analysis of standard introductory economics courses as my conceptual framework.
2. Based on the circular flow analysis, the exposition is divided into two parts: the economic agents and the markets.
3. Because of the interrelated nature of the elements of the circular flow analysis, there are occasional overlaps.
4. This is a non-exhaustive list and is a speculative exercise in examining how CST might be applied in practice.
5. This list is time and culturally conditioned. Its contextual reference point is a contemporary developed nation.

NOTES

1. Not surprisingly, there is a cacophony of voices that claim to speak for the tradition ranging from the extreme right that call for relatively unfettered markets to the extreme left that condemn the market economy altogether. We are thus faced with the methodological problem of justifying how we reconcile these disparate views. To get over this quandary, I limit my coverage of the modern period only to the official documents of the Church and exclude the secondary literature.

2. Recall that most of the modern Catholic social documents were written either in response to the crises of their day or to commemorate earlier papal encyclicals. They were not meant to be treatises and, consequently, do not provide a ready-made unifying theoretical account. Thus, it is not possible to assess the economy in a systematic and comprehensive fashion on the basis of these social documents alone, not even with the syntheses provided by Vatican Council II, *Gaudium et Spes*, and the recent *Compendium of the Social Doctrine of the Church* by the Pontifical Council for Justice and Peace.

3. For example, the Paul VI-era social documents were more egalitarian and quite critical of the market economy while John Paul II was more positive toward the market. Compare Paul VI's *Populorum Progressio*, *Justice in the World*, and *Octogesima Adveniens* with John Paul II's *Centesimus Annus*.

4. For example, most people would agree that the long-standing teaching on the provision of a living wage is more important than the proposals in *Laborem Exercens* for co-ownership of the means of production, co-management, and profit-sharing as alternatives to wage-labor contractual arrangements (John Paul II, *Laborem Exercens*, chap. 3, sec. #14).

5. An example of a specific proposal is *Quadragesimo Anno's* call for industry-level vocational groupings (Pius XI, *Quadragesimo Anno*, #81–98).
6. Paul VI, *Octogesima Adveniens*, #4.
7. See, for example, the common good's prominent place in the *Compendium of the Social Doctrine of the Church* and in the Catholic Bishops' Conference of England and Wales' (*The Common Good and the Catholic Church's Social Teaching*) reflection on the U.K.'s political economy.
 8. Pontifical Council for Justice and Peace, *Compendium*, #164.
 9. Vatican Council II, *Gaudium et Spes*, #26, #74.
 10. Catholic Church, *Catechism*, #1906.
 11. John XXII, *Mater et Magistra*, #65.
 12. John Donohue, "Biblical Perspectives on Justice."
 13. P. J. Achtemeier, "Righteousness in the NT."
 14. After all, as Thomas Aquinas notes, God is the source of all of existence. See Mary L. Hirschfeld in this volume for a concise exposition.
 15. Bruce Birch, *Let Justice Roll Down*, 178–82.
 16. See Albino Barrera, *God and the Evil of Scarcity*, for a more extended exposition of this claim using Thomistic metaphysics and Sacred Scripture.
 17. This is in sharp contrast to the claims of neoclassical economics and the completely open-ended nature of consumer preferences and sovereignty.
 18. Thus, it is not surprising that a common feature of all the essays in this volume is their extended discussion of the various relational features of a truly moral economy. See especially Stefano Zamagni's essay in this volume.
 19. Norbert Lohfink, *Option for the Poor*.
 20. See, for example, Philip Mirowski, *More Heat than Light*, for an exposition on the much-criticized "physics envy" of neoclassical economics.
 21. Richard Lowery, *Sabbath and Jubilee*, 101–2; Patrick Miller, "The Human Sabbath," 81, 88.
 22. Paul IV, *Populorum Progressio*.
 23. See Stefano Zamagni's essay in this volume.
 24. David Hollenbach, "The Common Good Revisited," 79–82.
 25. Paul VI, *Populorum Progressio*, #14. Thus, note the importance of personal virtues as a constitutive good of sustainable prosperity. See Yuengert's essay in this volume.
 26. The great care with which the Hebrews safeguarded one another's well-being (at least in theory) is illustrative of the inclusive nature of the principle of integral human development. This pivotal importance of integral human development is consistent with Beretta's and Biggadike's points on the generative nature of a truly moral economy (see their essays in this volume); it has to be life-giving and ennobling.
 27. Pius XI, *Quadragesimo Anno*, #79.
 28. Christopher Wright, *God's People in God's Land*.
 29. John Paul II, *Sollicitudo Rei Socialis*, #38f.
 30. Barrera, *Economic Compulsion and Christian Ethics*, 111–38.
 31. See Grant Aldonas, Robert Lawrence, and Matthew Slaughter, *Succeeding in the Global Economy*, for examples of such assistance.

32. Vatican Council II, *Gaudium et Spes*, #69.

33. Leo XIII, *Rerum Novarum*, #36.

34. See Vera Zamagni's essay in this volume for an illustration of how this has been implemented in practice through the Christian Social Democrats' seminal contributions to the formation of an integrated Europe's socioeconomic ethos.

35. See Vera Zamagni's essay in this volume on how a paradoxical unintended consequence of an over-bureaucratized solidarity is greater individualism.

36. Paul VI, *Populorum Progressio*.

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