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## **The social and economic message of Benedict XVI's *Caritas in Veritate* in the perspective of the Roman Catholic social doctrine**

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### **Citation**

Puggioni, R. (2013, June 25). *The social and economic message of Benedict XVI's Caritas in Veritate in the perspective of the Roman Catholic social doctrine*. Retrieved from <https://hdl.handle.net/1887/21021>

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Cover Page



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**Issue Date:** 2013-06-25

## Chapter VII – Perspectives from *Caritas in veritate* on our contemporary time

### 1. Introduction

I will try to show now how relevant the previous attention we have dedicated to Paul VI's encyclical has been. Especially the theme of *development, human and integral*, which means development for all people in terms of material and immaterial growth, is continuously present in *Caritas in veritate*. It is constantly called upon and specified again each time Benedict XVI feels the need to clarify what he considers the legacy of his predecessor.

We have seen that, according to social teaching, development has a sense only when it is something that regards each human being. This means, in macro-social terms, that it is not proper development when it ultimately regards exclusively a restricted number of countries and/or people. Development, and eventually economic growth, must be effective at the global scale if we want to speak of development according to Roman Catholic social doctrine. Upon this perspective, there must be a process involving all socio-economic actors in a large variety of objectives, from the diffusion of shared social and moral values, to more strictly economic material concerns. We should keep in mind that Benedict XVI considers the problems raised by Paul VI in *Populorum progressio* sadly enough to be tangible still today, and these problems regard for a large part the distribution of wealth in the world.<sup>384</sup>

Such a vision is shared by some secular thinkers, who reflected upon inequality and proposes practicable solutions. For instance, in 1990 Amartya Sen wrote:

The facts are stark enough. Despite the widespread opulence and the unprecedentedly high real income per head in the world, millions of people die prematurely and abruptly from intermittent famines, and a great many million more die every year from endemic undernourishment and deprivation across the globe. Further, hundreds of millions lead lives of persistent insecurity and want.<sup>385</sup>

For his part Benedict XVI draws his conclusions from reflecting on the heritage that modernity has left us. He sees in some processes of our epoch some direct and indirect causes of the economic and social failures of today, and we notice that this observation is present in different forms throughout its teaching. Modernity has brought some freedom in parallel with the expansion of civil rights, undeniably also economic freedom, and indeed progress and growth have involved many countries and billions of people have been nourished. But extreme inequalities among people persist, both between different countries and within national borders. In this sense we have to interpret the words of the Benedict XVI that recognizes some conquests of our age, but firmly criticizes specific contradictions. Material progress in one part of

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<sup>384</sup> See BENEDICT XVI, *Caritas in Veritate*. Città del Vaticano: Libreria Editrice Vaticana. 2009. 22.

<sup>385</sup> J. DRÈZE, A. K. SEN, Introduction, in J. DRÈZE, A. K. SEN, eds., *The political economy of hunger. Vol. 1, Entitlement and well-being*. Oxford: Oxford University Press, 1990. 1.

the globe alone does not guarantee dignity and freedom for another part.<sup>386</sup> Some are able to produce and consume a lot, as never in the past, while others struggle daily just to avoid starvation.

### 1.1. *The crisis, new points of departure*

A renewed conception of the human being according to the RC social thought should allow us to let emerge two elements that at this point of the analysis appear decisive. First, people are interdependent. And second, each human person's transcendental dignity needs to be respected. About the first, the interconnectedness of our world becomes clearer due to globalization and mass communication. Regarding the latter, in the Roman Catholic Church's eyes, the situation appears more complex as it involves many different aspects of human culture and society. Our age, as Benedict XVI understands it, too often takes into account only material aspects of life, and we are terribly worried about short-term perspectives based upon the results of costs/profit analyses.<sup>387</sup> *Caritas* uses this criticism as a starting point for re-framing our conception about the human family and the meaning of being-here-together. Indeed, the crisis, as seen in social thought, is not only an economic crisis, but it is also a moral and spiritual crisis:

The different aspects of the crisis, its solutions, and any new development that the future may bring, are increasingly interconnected, they imply one another, they require new efforts of holistic understanding and a *new humanistic synthesis*. [...] The current crisis obliges us to re-plan our journey, to set ourselves new rules and to discover new forms of commitment, to build on positive experiences and to reject negative ones. The crisis thus becomes *an opportunity for discernment, in which to shape a new vision for the future*. In this spirit, with confidence rather than resignation, it is appropriate to address the difficulties of the present time.<sup>388</sup>

Benedict XVI sees that the crisis forces the people to understand the causes of this situation. In this perspective he sees an opportunity for understanding better where people need to rethink certain assumptions. Such awareness gives to the Benedict XVI also the possibility to show a certain 'confidence' concerning the results of this analytical and critical work on the contemporary crisis.

In *Caritas*'s perspective, it is from the study and the reflection on the actual economic crisis that we should draw some relevant conclusions. These results allow us not merely to interpret what is happening now, but to give new directions to our ideas of, for instance, development and progress. Indeed, in Benedict XVI's view, economic processes, as well as globalization and cultural processes, are not impersonal forces acting at the human level, but they result from determinate human choices able to have an effective outcome.<sup>389</sup> Instead of considering globalization exclusively as a shaping force, Benedict XVI wants to focus the attention on the possibility to influence the course of globalization. *Caritas* suggests that it is still

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<sup>386</sup> See *Caritas*, 21.

<sup>387</sup> See *Caritas*, 21; 32.

<sup>388</sup> *Caritas*, 21.

<sup>389</sup> See *Caritas*, 42.

possible to set up foundations for having a sustainable framework of the world order. Such sustainability should not be intended as a naïve hope that we can put into practice a perfect social setting only because we have planned it. Relying on what we have seen in the previous chapter, we can say that Benedict XVI wishes that the economic growth would be also attached also to parameters of inclusion on a global scale. And we have seen that very similar concerns can be found in the writings of some economists.

## **1.2. Risks concerning the outsourcing of productive factors**

Benedict XVI takes as the main reference period, for his socio-economic analysis the decades from the publication of Paul VI's encyclical *Populorum* (1967), until the present. In this period, in his view, certain processes that were initially only beginning now explicate their full potential, both for positive and negative aspects.

The extreme expansion of the global market and of privatization policies, among negative aspects, has tremendously weakened social state security and intensified some imbalances. Upon his view, in highly developed countries, social welfare has been cut often due to de-regulation policies having as a result the exclusion of many poorer citizens rather than their protection.<sup>390</sup>

Especially developing countries, as they are usually places into which production is out-sourced, could experience a deterioration of worker's rights and social protection caused by the penetrating economic conflicts led by the increasing size of global markets. This deterioration could be a negative consequence of a non-regulated process of expansion as well as of an uncompromising liberalism. In other words, the global market setting can eventually allow companies to delocalize their production chains those countries where labour can guarantee a lower total cost, so as to offer lower total prices for those goods once back on domestic markets.

What we observe in this perspective is that the economic expansion of markets shows its potential in opening new opportunities for progress. In the meanwhile, without proper regulation and without a sense of responsibility from entrepreneurs and politicians, the ultimate consequence could be the creation of a wave of non-protected workers. In Benedict XVI's view, local national states of developing regions almost abdicate their role of social welfare promoters, making the cost of labour attractive for uniquely-profit-oriented multi-national companies.<sup>391</sup> Eventually then, in the country of origin, there is the risk that diminishing workers' rights might appear sometimes as the preferable way for having investments done.

This phenomenon of delocalization, as we see it now in the Pope's interpretation, shows how liberal ways of economic development can give us wealth, but also prompts the risk of impoverishment. Benedict XVI explains such points referring to processes of market expansion and delocalization, in this way:

[...] the so-called outsourcing of production can weaken the company's sense of responsibility towards the stakeholders - namely the workers, the suppliers, the consumers, the natural environment and broader society - in favour of the shareholders, who are not tied to a specific geographical area and who therefore

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<sup>390</sup> See *Caritas*, 24 – 26.

<sup>391</sup> See *Caritas*, 25.

enjoy extraordinary mobility. Today's international capital market offers great freedom of action. Yet there is also increasing awareness of the need for greater *social responsibility* on the part of business. Even if the ethical considerations that currently inform debate on the social responsibility of the corporate world are not all acceptable from the perspective of the Church's social doctrine, there is nevertheless a growing conviction that *business management cannot concern itself only with the interests of the proprietors, but must also assume responsibility for all the other stakeholders who contribute to the life of the business: the workers, the clients, the suppliers of various elements of production, the community of reference.*<sup>392</sup>

It is probably naïve to identify the multi-national corporations as the villains of globalization. To be a firm on a multi-national level does not necessarily imply to act for the degradation of the world. But, at the same time, it is too simple to end the discussion saying that corporations strive for profits and only care about shareholders, and thus the other aspects need not count. Part of the problem lies exactly in recognizing that corporate social responsibility goes further than the contractual boundaries. It is about this broader social responsibility that *Caritas* speaks when it envisages 'a *profoundly new way of understanding business enterprise*'.<sup>393</sup> There are also companies moving in such a direction, widening their perception of accountability. In this direction goes the analysis of the corporate social responsibility in contemporary management literature.<sup>394</sup>

Better conditions in a world with outsourcing of work needs also attention at the political level to see some institutional measure. The perspective outlined by Joseph Stiglitz goes in this way. According to him the political measures aiming at multi-national corporations should act with the objective 'to align private incentives with social costs and benefits'.<sup>395</sup>

In the economic analysis of Benedict XVI, workers are not a mere economic production factor among others. This is related to the fact that economic actions should be devoted, upon social thought's view, to the common good as an ultimate end, and not to profit.<sup>396</sup> Workers' pre-eminence in pondering all economic and social reflections must be seen as an expression of that attitude in having human being's condition at the heart of the analysis.<sup>397</sup>

We can observe that Benedict XVI starts to redirect the focus of the analysis in *Caritas* from considerations on the macro-economic level regarding the crisis, to specific issues concerning workers and their rights, as well as issues concerning all people involved even tangentially by company's activity, those technically called the stakeholders. In this way the whole community in the broader sense is addressed. Obviously, we are speaking about a community that is made of persons. It can seem

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<sup>392</sup> *Caritas*, 40.

<sup>393</sup> See *Caritas*, 40; W. GRASSL, H. HABISCH, Ethics and economics: towards a new humanistic synthesis for business, in *Journal of Business Ethics*, 99. 2011. 38, 43 – 44; A. J. G. SISON, J. FONTRONDA, The common good of business: addressing a challenge posed by 'Caritas in Veritate', in *Journal of Business Ethics*, 100. 2011. 100.

<sup>394</sup> See K. E. GOODPASTER, Goods that are truly good and services that truly serve: reflections on 'Caritas in Veritate', in *J. Bus. Ethics*, 100. 2011. 12 – 15.

<sup>395</sup> See J. E. STIGLITZ, *Making globalizations work*. W. W. New York: Norton & Company, 2006. 198.

<sup>396</sup> See GRASSL, HABISCH, Ethics and economics, in *J. Bus. Ethics*, 43.

<sup>397</sup> See above V, 3.

easy and reasonable that human beings come before profits, but it is worrying that it must be so often called to mind. Here we can also see how in the economic perspective presented in *Caritas* the macro level and the micro level of the analysis are integrated.<sup>398</sup>

In economic activity workers are central because of their role in materially producing something but, in the Roman Catholic Church's perspective, this relevance goes well beyond the mere economic issue of work as one productive factor. Work is made by workers, which are human beings: their dignity as human beings cannot be weakened by being workers. It is from such considerations that Benedict XVI expresses his considerations on the role of trade unions in contemporary times. Labour unions are thought to understand their role of safeguarding human conditions of work also at the global level, and not only within national borders.<sup>399</sup> This coincides with what we have already seen in the analysis of the *Compendium*'s.<sup>400</sup>

## **2. The need for an 'enlarged reason'**

As a possible practicable path towards different economic scenarios, Benedict XVI wishes cooperation among different disciplines, such as economics and morals. Basically, Benedict XVI, following the line developed in the 1998 encyclical of John Paul II *Fides and ratio*, calls for more openness in each particular space of scientific knowledge, such as biology and engineering towards, morals.

*Caritas* criticizes what is perceived as the exaggerated uncommunicative situation among these fields-of-knowledge. In social thought's view, for our specific case, the separation of science and morality causes some unsatisfying results that have brought some sciences, among which Benedict XVI includes economics, working outside an ethical framework.<sup>401</sup> As far as economists study the economic processes, namely 'things as they are', it does not seem necessary any moralization of the economic science. The moral concern is seen necessary when in the economic environment economic tools are used, as for instance might be in the financial world, to increment profits in the short term without a long term perspective, or when profits are made in a country without considering whether they are made upon the exploitation of workers or the devastation of the natural environment.

Benedict XVI argues that the Roman Catholic social doctrine may bring an original and fresh view due to its inner inter-disciplinary character.<sup>402</sup> The appraisal made of social teaching suggests that without renouncing a common ground of principles, each sort of specific knowledge or wisdom has its own space and identity, and it remains both independent as well as in constant communication and openness with others. It seems, in other words, that Benedict XVI proposes a methodology that would avoid 'the excessive segmentation' of scientific knowledge.

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<sup>398</sup> See GRASSL, HABISCH, Ethics and economics, in *J. Bus. Ethics*, 44.

<sup>399</sup> See *Caritas*, 64.

<sup>400</sup> See above V.

<sup>401</sup> See A. YUENGERT, Economics and interdisciplinary exchange in Catholic social teaching and '*Caritas in Veritate*', in *J. Bus. Ethics*, 100. 2011. 47.

<sup>402</sup> See *Caritas*, 31.

Besides, Benedict XVI proposes an integrated effort with the aim of respecting each knowledge's dignity, trying at the same time not to fall in ephemeral mixes or unworthy compromises. In this line, *Caritas* adopts the conclusions of previous social thought and projects them on our study's ground on economics and social development:

The excessive segmentation of knowledge (see JOHN PAUL II, *Fides et ratio*. 1998. 85, AAS 91, 72 - 73) the rejection of metaphysics by the human sciences (see *Fides*, 83), the difficulties encountered by dialogue between science and theology are damaging not only to the development of knowledge, but also to the development of peoples, because these things make it harder to see the integral good of man in its various dimensions. The 'broadening [of] our concept of reason and its application' (BENEDICT XVI, *Address at the University of Regensburg*. 12 September 2006.) is indispensable if we are to succeed in adequately weighing all the elements involved in the question of development and in the solution of socio-economic problems.<sup>403</sup>

The problem that we can call an epistemology of the human sciences, even when not expressively stated like here in *Caritas*, was still present also in previous social encyclicals.<sup>404</sup> Benedict XVI here takes a position present in the RC interpretation of the human sciences since Vatican II<sup>405</sup> and *Populorum*. To say that there are difficulties in the dialogue between science and theology implicitly means to point at the effort in social thought, in which on a theological basis suggestions for other particular sciences are developed. Moreover, though Benedict XVI criticizes a narrow rationality that tends to forget the contribution of faith, he also points to the reciprocal collaboration of faith and reason placed on an equal level.<sup>406</sup> With this discussion there is the proposal for broadening our concept of reason.

For his part, in line with Vatican II,<sup>407</sup> in which the RCC officially recognised the value of scientific knowledge and its specificity for the well-being of humanity, Benedict XVI has asked others for help in preparing the encyclical. In the RCC, one primarily thinks of bishops and members of Pontifical Councils such as *Justitia et Pax*, including those people who developed the *Compendium of the social doctrine of the Church*. However, Benedict XVI also consulted professors in the field of economics.<sup>408</sup> Stefano Zamagni indeed confirms that he 'was a member of a task force, set up by the Holy Father [...] in order to write the Encyclical Letter'.<sup>409</sup>

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<sup>403</sup> *Caritas*, 31.

<sup>404</sup> See YUENGERT, Economics and interdisciplinary exchange in Catholic social teaching and 'Caritas in Veritate', in *J. Bus. Ethics*, 44 – 48.

<sup>405</sup> See *Gaudium*, 36.

<sup>406</sup> As specified in *Caritas*: 'Reason always stands in need of being purified by faith: this also holds true for political reason, which must not consider itself omnipotent. For its part, religion always needs to be purified by reason in order to show its authentically human face. Any breach in this dialogue comes only at an enormous price to human development.' *Caritas*, 56.

<sup>407</sup> See *Gaudium*, 62 and above I, 6.

<sup>408</sup> We know that 'the most common names are card. R. Martino and Rodríguez Maradiaga, G. Crepaldi and R. Marx, experts like M. Toso, M. Ronheimer, S. Zamagni, E. Gotti Tedeschi, and the contribution of many preparatory meetings among which that with cardinals C. Ruini, C. Schönborn, A. Scola e A. Bagnasco.' EDITORIALE, *Benedetto XVI. Lettera enciclica Caritas in veritate*, in *Il Regno*, 14. 2009. 434 [my translation from the Italian].

<sup>409</sup> ZAMAGNI, S., *Caritas in veritate*, market and firms. The Catholic Church's position on economy.



### 3. *Charity in truth globalized*

Today the level of interdependence level among countries and peoples in the world has reached a degree that was hardly foreseeable at the time of Paul VI. That is why our reason more now than in the past needs to be open in all those ways that might help the process towards people's integration. If since the sixties, the period in which *Populorum* was written, globalization augmented its influence in the world's dynamics almost exponentially, it must be stressed that Benedict XVI specifies that in his opinion the answers to any demand for open-mindedness have not been adequate.

Globalization has gained benefits from technological advancements, but it has also proceeded due to its inner character of being partially autonomous from technology and pushed by the humankind's intrinsic relational character as social thought interprets it.<sup>410</sup> In Benedict XVI's opinion, regulative measures capable of spreading the benefits of globalization have been limited. Making a political-economic consideration he states how the presence of taxes and duties that poor countries have to pay for having access to developed countries' markets has somehow worsened the general evaluation we may express on globalization.<sup>411</sup> It is indeed in this milieu that Benedict XVI poses charity and truth as resources for that necessary force able to bring the human family closer instead of dividing it:

[Hence] charity and truth confront us with an altogether new and creative challenge, one that is certainly vast and complex. It is about *broadening the scope of reason and making it capable of knowing and directing these powerful new forces*, animating them within the perspective of that 'civilization of love' whose seed God has planted in every people, in every culture.<sup>412</sup>

A 'civilization of love' would mean to build a new civilization based on fraternal love, which is the role that Benedict XVI wishes for charity, namely to be the ground for our progress in civilization.

He prospects a civilization path that spreads from charity. He points that if all sorts of technological advancements are directed by an enlarged reason that sees the scopes and objectives under the light of charity in truth, then we could reach that kind of civilized society in which different cultures and different people are able to live together. In other words, the effort that the human beings are able and ready to do in the field of reason, eventually also a technological reason, should have the scope of improve the quality of living together in one same world. In this perspective, then, we may say that what in the end should 'build' the dialogue between the Roman Catholic social doctrine as here proposed by Benedict XVI and the scientific world, including economics is nothing else but love, charity.<sup>413</sup> This charity is the same of the locution 'charity in truth', as we have analysed it above.<sup>414</sup>

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An interview by Renato Mangano, in *European Company and Financial Law Review*, 1. 2011. 65

<sup>410</sup> See *Gaudium*, 25.

<sup>411</sup> See *Caritas*, 33.

<sup>412</sup> *Caritas*, 33.

<sup>413</sup> See YUENGERT, Economics and interdisciplinary exchange in Catholic social teaching and '*Caritas in Veritate*', in *J. Bus. Ethics*, 49.

<sup>414</sup> See YUENGERT, Economics and interdisciplinary exchange in Catholic social teaching and

#### **4. Market and its justice. Caritas in veritate's viewpoints**

In this section I will underline the more detailed criticism present in *Caritas* towards the market economy and market institutions, but their merits will be addressed as well. It should be remarked now that the market has no essentially negative connotation according to the theological implications at the basis of the RC social thought, or at least this is not the intention of social teaching.

Benedict XVI does not see intrinsic evil in market economy itself, but sees responsibilities in people acting in this context. The market is a mere tool; therefore responsibilities are those of people who use that tool.

Some time before the beginning of his papacy, Joseph Ratzinger had pointed out what he thinks a mistake, namely the reduction of what is human to a single category, whether economical or political.<sup>415</sup> That economic actions are human actions is in *Caritas* the relevant element that makes ethics not out of place in the economic world.<sup>416</sup> In such a view *Caritas* also fits within social teaching in general, for which the passage, reduction, from human being to economic agent appears deceptive.<sup>417</sup>

Benedict XVI is presenting us some of the Roman Catholic Church's considerations on market practices that should appear even more actual and pregnant in a globalized economy. According to his view, a market has an intrinsic capacity to let people encounter each other within its borders. In this sense the market brings and builds a level of socialization that cannot be ignored because effectively it helps society to grow. This vision seems also to reflect that of Luigino Bruni and the Economy of communion, that we will soon see, in which the market is understood as having a socializing potential.<sup>418</sup>

The market, due to this inner social dimension, needs a determinate degree of fraternity; it needs to be social in order to operate in society. Or, to put it better, Benedict XVI states that market itself cannot be a sustainable institution as long as in it there is no room for gratuity in some way. This is so, because gratuity is the source of that communal living in which the market could flourish even better. This should appear more evident in our contemporary time in which we witness an expansion of the market never seen before. Within social thought's structure, the market seems to be exactly part of that communal living, in which indeed it was born and it develops.

More in detail, according to Benedict XVI, within the market a principle of commutative justice (based on the exchange) governs, for which people's free decisions encounter each other on the basis of contractual agreement and equal exchange. The market system as a whole also needs to answer questions coming from the needs of social justice and distributive justice, because the market system itself was born in a social context. In such a perspective, the market has and

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'*Caritas in Veritate*', in *J. Bus. Ethics*, 48 – 51.

<sup>415</sup> See J. RATZINGER, Introduction to Christianity: yesterday, today, and tomorrow, in *Communio*, 31. 2004. 485.

<sup>416</sup> See *Caritas*, 36 – 37; D. MELÉ, M. NAUGHTON, The encyclical-letter *Caritas in veritate*: ethical challenges for business, in *Journal of Business Ethics*, 100. 2011. 4; J. M. BREEN, Love, truth and economy. A reflection on Benedict XVI's *Caritas in veritate*, in *Harvard Journal of Law and Public Policy*, 33. 2010. 998 – 999.

<sup>417</sup> See above I, 3.

<sup>418</sup> See below VII, 6.

maintains its own specific realm of laws, but the fact that the market grows and flourishes exclusively in social environments, and the fact that it expresses anyhow a social attitude, makes it an institution that necessitates solidarity to operate at its best:

In a climate of mutual trust, the *market* is the economic institution that permits encounter between persons, inasmuch as they are economic subjects who make use of contracts to regulate their relations as they exchange goods and services of equivalent value between them, in order to satisfy their needs and desires. The market is subject to the principles of so-called *commutative justice* [...]. But the social doctrine of the Church has unceasingly highlighted the importance of *distributive justice* and *social justice* for the market economy, not only because it belongs within a broader social and political context, but also because of the wider network of relations within which it operates. In fact, if the market is governed solely by the principle of the equivalence in value of exchanged goods, it cannot produce the social cohesion that it requires in order to function well. *Without internal forms of solidarity and mutual trust, the market cannot completely fulfil its proper economic function.*<sup>419</sup>

Without solidarity the economy would not work. This is Benedict XVI's view when he states that 'if the market is governed solely by the principle of the equivalence in value of exchanged goods, it cannot produce the social cohesion that it requires in order to function well.' In addition to this, the market needs the contractual agreement to be trusted by both parties, and eventually the guarantee of a third trusted party, usually with juridical and public character. This eventually shows that we can find elements, like trust, that do not exclusively belong to the context of the exchange for the equivalent between two solitary agents uniquely driven by selfish motives.

The point made by *Caritas* is that when left to its own regulative parameters and nothing else, the economic mechanisms of the market there is the risk to make inhumane the social context in which it is working.<sup>420</sup> Here the analysis can be done on two levels: one more institutional and theoretical, 'macro', and one more personal, 'micro'.

On a theoretical level we look to the relationships between economics and ethics. Again, economics remains a stand-alone science with a peculiar field of knowledge and specific operating principles, like in market economies happens. But the same fact that the economy is, we may say, embedded in the social texture might call for an evaluation of the social consequences in all the economic activities. This consideration calls for an awareness at the level of economic theories, and thus of the economists, that such theories are incomplete.<sup>421</sup> The embeddedness of market economy in the social texture is a major element in the analysis of Karl Polanyi. He sees a detachment of the modern market economy from its social ground, and identifies this as probably the main causes for the lack of moral concerns in the same

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<sup>419</sup> *Caritas*, 35.

<sup>420</sup> See GOODPASTER, Goods that are truly good and services that truly serve, in *J. Bus. Ethics*, 10.

<sup>421</sup> See P. H. DEMBINSKI, The incompleteness of the economy and business: a forceful reminder, in *Journal of Business Ethics*, 100. 29 – 30, 39. For which the 'incompleteness argument', if seriously faced, should concern politician, economists and managers and push them to constantly reflect on the reflections of their activity for the civil society. See also BREEN, Love, truth and economy, in *Har. J. of L. & P. Pol.*, 994 – 997.

market environment.<sup>422</sup> Polanyi's theory goes further with his thesis of 'contagion', according to which exclusively-self-interest driven market mechanisms and practices are progressively transferred to other institutions.<sup>423</sup> Moreover, a similarity between these aspects of the social analysis of Polanyi and Benedict XVI's analysis has been pointed out, as opposed to the Marxism found in liberation theologies.<sup>424</sup>

### *The logic of the gift*

We arrive then at a second level of analysis, more particular, that regards the agents in their economic context. For this, *Caritas* calls for a general mobilization at the level of our 'hearts'.<sup>425</sup> It means that the agents in the economic context are supposed to act freely and firstly with the objective of realizing human fraternity through the pursuit of the common good.<sup>426</sup>

It is in this context that Benedict XVI speaks about 'the gift'. Difficulties in analysing *Caritas*' perspective on the gift are due to the fact that Benedict XVI does not give us a punctual and precise definition of what he means by 'the gift'. The references in the Encyclical point to the gift as identified with the logic of gratuitousness for which giving-for-free does not demand something back in return.<sup>427</sup> About the gift, Benedict XVI refers to the free gift of love that God gives to the human beings with the creation, intending the natural environment as God's gift.<sup>428</sup>

Here, our attention is towards the contribution that the free-giving may give to the market economy in the eyes of Benedict XVI:

The economy in the global era seems to privilege the [...] logic [...] of contractual exchange, but directly or indirectly it also demonstrates its need for the other two: political logic, and the logic of the unconditional gift.<sup>429</sup>

Firstly, we notice that the gift is a requirement enhanced by the globalization of economic relationships.<sup>430</sup> Secondly, Benedict XVI appears convinced that in addition to the contractual logic the economic world needs also a political logic. This latter requirement, in the context of *Caritas*, refers to the renewed role that Benedict XVI wishes for politics in the global world. We are going to see his perspective closer in the next chapter.

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<sup>422</sup> See K. POLANYI, *The great transformation. The political and economic origins of our time*. Boston: Beacon Press, 2001. 60. The same ideas are also sociologically developed in M. GRANOVETTER, R. SWEDBERG, eds., *The sociology of economic life*. Boulder, CO: Westview Press, 2011.

<sup>423</sup> See S. ZAMAGNI, Catholic social thought, civil economy, and the spirit of capitalism, in D. K. FINN, ed., *The true wealth of nations. Catholic social thought and economic life*. New York: Oxford University Press, 2010. 85.

<sup>424</sup> See A. PABST, The paradoxical nature of the good. Relationality, sympathy and mutuality in rival traditions of civil economy, in A. PABST, ed., *The crisis of global capitalism. Pope Benedict XVI's social encyclical and the future of political economy*. Eugene, OR: Cascade Books, 2011. 181 – 182.

<sup>425</sup> See *Caritas*, 20.

<sup>426</sup> See DEMBINSKI, The incompleteness of the economy and business, in *J. Bus. Ethics*, 34.

<sup>427</sup> See *Caritas* 34.

<sup>428</sup> See *Caritas*, 48.

<sup>429</sup> *Caritas*, 37.

<sup>430</sup> See MELÉ, NAUGHTON, The encyclical-letter *Caritas in veritate*, in *J. Bus. Ethics*, 5.

For what regards the logic of the unconditional gift *Caritas* does not give us any specific definition, but still there should be something that might allow us to reason about it. We understand *Caritas* as inscribed in the context of the Roman Catholic theology of Benedict XVI. Thus, we have insight of what the term ‘gift’ might refer to if we refer to ‘gift’ in the wider theological perspective of *Caritas*.

This results in understanding gift as free-giving, having as the ideal example the gratuitousness that regards God in the act of creation.<sup>431</sup> In the theology of *Caritas*, God does not make contracts with the human being or with other creatures. God only gives, and does not look for the exchange. Transferred to the economic actors this notion of the gift can represent an alternative to contractual exchange.<sup>432</sup> Regarding these ideas, the logic of gift-giving regards the circulation of goods, and thus also the re-distribution of wealth.

Our understanding of the gift as intended in *Caritas*, thus with a theological basis, could be further improved with a more interdisciplinary approach. With all the caution that an interdisciplinary approach needs, we should not ignore that on the meaning of gift in *Caritas* it has been proposed to consider the study made in the field of anthropology of economics by Marcel Mauss,<sup>433</sup> the *Essai sur le don*.<sup>434</sup> And for understanding better the logic of the free-giving in our contemporary societies the study of Richard Titmuss about blood donations, *The gift relationships*,<sup>435</sup> may furnish relevant insights.<sup>436</sup>

In the end, understanding the logic of the gift in the context of the market economy would mean to open our possibilities also to economic motives that go beyond those strictly belonging to the market practices, such as the making of instant profits.<sup>437</sup> Implicitly, this represents the conviction of Benedict XVI that there might be other motives in people acting in the economic context in addition to those considered in the classic and neo-classic economic theories.<sup>438</sup>

It has been noticed how an improvement that *Caritas* brings to the previous social teaching is the role of love in the economic motives. In this sense the needs of the needs of the poor, the gratuitousness of acting for the other, are all elements found in *Caritas* that upgrade the level of practicality of a social doctrine that wants

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<sup>431</sup> See *Caritas*, 34 – 39, 48.

<sup>432</sup> See G. FALDETTA, The logic of gift and gratuitousness in business relationships, in *J. Bus. Ethics*, 100. 2011. 68.

<sup>433</sup> See FALDETTA, The logic of gift and gratuitousness, in *J. Bus. Ethics*, 69; D. MCCANN, The principle of gratuitousness: opportunities and challenges for business in ‘*Caritas in veritate*’, in *J. Bus. Ethics*, 100. 2007. 58 – 62.

<sup>434</sup> M. MAUSS, *The gift: the form and reason for the exchange in archaic societies*. London: Routledge, 2002.

<sup>435</sup> R. M. TITMUSS, *The gift relationship. From human blood to social policy*. London: George Allen & Unwin Ltd., 1970. In particular chapters 5 and 13, for the relation with the gift spirit.

<sup>436</sup> See FALDETTA, The logic of gift and gratuitousness, in *J. Bus. Ethics*, 70; A. ARGANDOÑA, The ‘logic of gift’ in business, from ‘*La Caixa*’ *Chair of Corporate Social responsibility and Corporate Governance*, working paper WP-936. 2011.

<sup>437</sup> S. ZAMAGNI, Fraternity, gift and reciprocity in *Caritas in veritate*, in PABST, *The crisis of global capitalism*, 163 – 164.

<sup>438</sup> See S. ZAMAGNI, Fraternalità, dono, reciprocità nella *Caritas in veritate*, in S. BERETTA, V. COLMEGNA., F. FELICE, B. SORGE, S. ZAMAGNI, *Amore e verità. Commento e guida alla lettura dell’Enciclica Caritas in veritate di Benedetto XVI*. Milano: Edizioni Paoline, 2009. 80; ZAMAGNI, Fraternity, gift and reciprocity in *Caritas in veritate*, in PABST, *The crisis of global capitalism*, 156 – 157.

to commits itself to the possibility of having love as the foundational element of the social living.<sup>439</sup>

In the field of economics such an approach is not unknown. Amartya Sen has pointed to some limits of those economic theories that have at their basis mainly or exclusively the self-interested behaviours of the economic actors.<sup>440</sup>

Benedict XVI recognizes the utility and the necessity of the market as the economic institution of the free encounter of different interests. But in his view there is also the idea that the economic world is not exclusively based on the logic of commutative justice. For instance, it has been pointed out how the logic of gift is already present in economic organizations, notwithstanding the necessity to study more in depth such presence.<sup>441</sup>

Even if ‘the economy in the global era seems to privilege the logic of contractual exchange’, Benedict XVI points that there is the need for other two logics. The political logic is needed to furnish the proper institutional structure, and the logic of the gift is the main expression of human solidarity. In *Caritas* it is also considered a major requirement for the well-being of the globalized economic system.<sup>442</sup>

The assumption that social teaching makes is that there is a moral issue connected to each fact that has an economic relevance. Moreover, in this globalized age we especially face economic facts through their interdependence, as reciprocal influences among distant countries are not merely accidental:

Locating resources, financing, production, consumption and all the other phases in the economic cycle inevitably have moral implications. *Thus every economic decision has a moral consequence.* The social sciences and the direction taken by the contemporary economy point to the same conclusion. Perhaps at one time it was conceivable that first the creation of wealth could be entrusted to the economy, and then the task of distributing it could be assigned to politics. Today that would be more difficult, given that economic activity is no longer circumscribed within territorial limits, while the authority of governments continues to be principally local. Hence the canons of justice must be respected from the outset, as the economic process unfolds, and not just afterwards or incidentally.<sup>443</sup>

Benedict XVI points out that there is a huge incongruity between the political/normative level and the economic/social level. What we observe is an international economy operating with market rules that do not pose any barrier to economic expansion. At the same time, political regulations and institutional redistributive entities are fragmented as these belong to local governments. This imbalance may cause a short-circuit. When wealth, from production or any other

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<sup>439</sup> See D. DORR, *Option for the poor and for the earth. Catholic social teaching*. Maryknoll, NY: Orbis Books, 2012. 369.

<sup>440</sup> See A. K. SEN, *Rational fools: a critique of the behavioural foundations of the economic theory*, reprinted in A. E. KOMTER, ed., *The gift. An interdisciplinary perspective*. Amsterdam: Amsterdam University Press, 1996. See also S. ZAMAGNI, Prefazione, in A. K. SEN, *La ricchezza della ragione*. Bologna: Il Mulino, 2000.

<sup>441</sup> See FALDETTA, *The logic of gift and gratuitousness*, in *J. Bus. Ethics*, 75.

<sup>442</sup> See *Caritas*, 32.

<sup>443</sup> *Caritas*, 37.

economic activity in one country, is not distributed properly according also to the needs within that country's borders, there would be the need for a counter-balance. In brief, this opinion concerns how the economy works at the inter-national level, while politics remains stuck at the local level of government.

Thus, *Caritas* points out how market practices should respect the canons of justice. This means to respect a moral order previously built. Benedict XVI also states that the respect needed for the demands of justice in economic activity should be fulfilled from its beginning, and not once it is concluded. This means that checking the consequences of an economic action is something that should be preferably done in a stage previous to its implementation, and not afterwards as to repair something. According to *Caritas*, a moral concern should precede the economic activity as such, in this way setting its direction. In the Pope's view this would mean for economy to work properly, within the framework established by moral laws.

There is another element then that emerges from the reading of *Caritas*. That is the general emphasis that Benedict XVI gives to the role of the individual person in the economic framework. Namely, the moral concern of the economic actions should regard primarily the individual economic actor. Only in a second phase the moral assumptions are transferred to the institutional level. There is a general re-consideration of the role of institutions for sustainable development.<sup>444</sup> In the context of social teaching, institutions play a decisive role in the economic world.<sup>445</sup> And we can also agree with Dorr that the RC social doctrine also criticizes 'sinful structures', when these become the cause of injustice.<sup>446</sup> Nevertheless, in *Caritas* we notice the tendency of underlining the relevance of individual actions in building a fair economic context, thus in being also a responsible part in building fair structures.<sup>447</sup>

We can also notice from the last quote how *Caritas* appeals to the latest developments in some of the social sciences and economics regarding the relationship between morals and economy. Indeed, there is a certain convergence from some intellectual environments towards a re-consideration of the roles of economic actors, consumers and public authorities, and eventually also economists in their working on models. On the economic side we can cite Amartya Sen, Jean-Paul Fitoussi and Joseph Stiglitz, and on a sociological and philosophical side the ideas of Zygmunt Bauman and Martha Nussbaum. The works of these thinkers may represent a prosperous and fertile intellectual ground for the debate on such topics. All these thinkers appear to share with Roman Catholic social doctrine the will to discuss the position of the human being in the process of social and economic globalization.

## **5. Business ethics according to Caritas in veritate**

In *Caritas* we find various insights that suggest that Benedict XVI believes that in rooting economic actions on a moral ground is a key for sustainable economic development. He argues that if economic decisions are taken under the condition that they fit with a specific moral setting, then there might be also economic advantages.

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<sup>444</sup> See for instance *Caritas*, 71.

<sup>445</sup> See above I, 4.

<sup>446</sup> See DORR, *Option for the poor and for the earth*, 456.

<sup>447</sup> See GOODPASTER, Goods that are truly good and services that truly serve, in *J. Bus. Ethics*, 11.

This is, in other words, the conviction that economic convenience and profit can come from respect for a set of moral norms. It has been pointed out how economics has the capacity to ‘challenge the faculty of ethical judgment, as it may inform about unintended consequences of certain social or political postulates’, in this way fostering a sustainable development in a ‘dynamic two-way relationship’.<sup>448</sup>

Benedict XVI notices the large diffusion in the business world of economic initiatives characterized by an ethical inspiration or with general ethical aims. He also stresses how certain initiatives could be helpful not merely for giving to developed economies some new fresh air to breathe within the established financial environment, as he praises how these initiatives could be substantially helpful for the emerging economies on their way to sustainable progress. *Caritas* recognizes the augmenting interest in economic activity that can be defined with the adjective ‘ethical’.<sup>449</sup>

Notwithstanding the positive outlook towards business ethics, Benedict XVI underlines the concrete risk in leaving the adjective ‘ethical’ to a lax determination or to an imprecise definition of its content.<sup>450</sup> He claims how leaving ethics to a generic or superficial interpretation opens the possibility of abusing its use and consequently emptying its meaning, without any significant result also on the economic ground.

In this regard, Benedict XVI also specifies that what is needed is an ethic which is ‘people-centred’. He believes that the social doctrine of the RCC can contribute to this specific ethical demand. The people, namely the persons, should be the centre of the ethical preoccupation. And in this element he sees a possible specific contribution of the RC social doctrine.<sup>451</sup>

This point becomes relevant as we have here a clarification from Benedict XVI that points out why Roman Catholic social teaching may contribute to build a moral framework for economic action due to two specific characteristics. In this, we may again observe the theological inspiration with which the RCC legitimizes its social teaching:

[...] the Church’s social doctrine can make a specific contribution, since it is based on man’s creation ‘in the image of God’ (Gen 1: 27), a datum which gives rise to the inviolable dignity of the human person and the transcendent value of natural moral norms. When business ethics prescind[s] [sets aside] from these two pillars, it inevitably risks losing its distinctive nature and it falls prey to forms of exploitation; more specifically, it risks becoming subservient to existing economic and financial systems rather than correcting their dysfunctional aspects.<sup>452</sup>

Benedict XVI states that social thought can give a specific contribution to business ethics. This contribution has a twofold character. First, it concerns the inviolable character of the human person, and second, the transcendental value deriving from the natural moral laws. These concepts, both growing from the Roman Catholic

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<sup>448</sup> GRASSL, HABISCH, Ethics and economics, in *J. Bus. Ethics*, 45.

<sup>449</sup> See MELÉ, NAUGHTON, The encyclical-letter *Caritas in veritate*, in *J. Bus. Ethics*, 3 – 4.

<sup>450</sup> See, for these general considerations, *Caritas*, 45.

<sup>451</sup> M. ZWICK, L. ZWICK, Beyond the culture of cutthroat competition. The Pope takes the world by surprise, in PABST, *The crisis of global capitalism*, 129

<sup>452</sup> *Caritas*, 45.



interpretation of the human person as created in the image of God, refer indeed to the same concepts that we have previously seen.<sup>453</sup> In other words, here, we observe the reflection of the personalist principle in the economic context of business ethics.<sup>454</sup> We may say that these are the conditions under which it is possible to build an ethical ground for economics, according to *Caritas*.

The main aim of Benedict XVI seems to show that ethics should be introduced not simply at the surface level of the economic world, but it must be part of it from the beginning. Economy should be ethical by definition, in the sense that all that regards economy should be understood in ethical terms, and not by coincidence.

In the above quote, the specific topic of the financialization of economy is faced in *Caritas* in general terms, and with a pastoral aim that seems directed to touch the conscience of all people of good will who might be operating in the field of financial economy. Nevertheless, we are going to see in the next chapter how Benedict XVI believes that for a global development there is the need of a global authority rooted in the principles of subsidiarity and solidarity, emphasizing, thus, also more ‘structural’ aspects of the topic.

When we remain for now focussing on the role of individual initiatives, we see how Benedict XVI also recognizes the utility of some private initiatives that have concretely realized a fairer financial environment. The reference is towards micro-credit or micro-finance. Even if not expressively quoted in *Caritas*, such considerations can easily bring us to think of the Nobel peace prize awarded by Muhammad Yunus for his Grameen Bank.<sup>455</sup> A similar positive evaluation of initiatives such as the Grameen Bank comes also from thinkers like Amartya Sen, who recognizes the role of such initiatives exactly in opening new economic possibilities.<sup>456</sup> In this specific case Sen also referred to the improvement of women’s conditions thanks to the Grameen Bank’s targeting activity.<sup>457</sup>

In *Caritas* Benedict XVI praises these sorts of activities:

[...] the *experience of micro-finance*, which has its roots in the thinking and activity of the civil humanists - I am thinking especially of the birth of pawnbroking - should be strengthened and fine-tuned. This is all the more necessary in these days when financial difficulties can become severe for many of the more vulnerable sectors of the population, who should be protected from the risk of usury and from despair. [...] Since rich countries are also experiencing new forms of poverty, micro-finance can give practical assistance by launching new initiatives and opening up new sectors for the benefit of the weaker elements in society, even at a time of general economic downturn.<sup>458</sup>

A positive evaluation is given to micro-credit initiatives. These forms of business are considered by Benedict XVI one practicable way for the future of the financial

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<sup>453</sup> See above I, 3; IV, 2.

<sup>454</sup> See A. VACCARO, A. J. G. SISON, Transparency in business: the perspective of Catholic social teaching and the ‘*Caritas in veritate*’, in *J. Bus. Ethics*, 100. 2007. 20 – 21.

<sup>455</sup> See MCCANN, The principle of gratuitousness, in *J. Bus. Ethics*, 55 – 66. See also above IV, 3.

<sup>456</sup> See also W. GRASSL, Hybrid forms of business: the logic of gift in the commercial world, in *J. Bus. Ethics*, 100. 2011. 117.

<sup>457</sup> See A. K. SEN, *Development as freedom*. Oxford: Oxford University Press, 1999. 201.

<sup>458</sup> *Caritas*, 65.

economy, or at least they represent a concrete and substantial action of the financial world, worthy of further institutional care and support. We can conclude that these initiatives appear to coincide with the social teaching of the RCC about ideal behaviour in the financial world.<sup>459</sup>

Two elements might be interesting for us if we want to briefly evaluate the reason for the success and the possibilities of these operations. First, the loan, or the general contribution, is given from a bank at the local level. There is, in other words, a reciprocal knowledge, between the bank, on one side, and the person who receives the money on the other. In this way the financial institution has also the possibility to better evaluate the real economic potential of its client.

The second element, probably the most important, is trust. In this kind of financial activity, where the one who usually receives the money is a poor person not able to furnish solid economic guarantees, there is a heavy reliance on what the client will do in the future. This might help to build in a more evident manner economic transactions upon reciprocal trust.

## **6. *Economy of communion***

We have seen the logic of gift according to *Caritas* and we have seen that Benedict XVI stresses that economic actions have moral consequences. We have also seen that in the theology of *Caritas* the expression ‘new humanistic synthesis’ calls for a new departure, leaving behind the contemporary economic crisis.<sup>460</sup> Also, we have pointed out how the micro-credit can be a practice fitting the requirements of social teaching because it focuses on the social impact of its activities.

A question, then, might be: is there something in *Caritas* that proposes a specific practical implementation of these perspectives in the economic world? The economy of communion can be the answer:

When we consider the issues involved in the *relationship between business and ethics*, as well as the evolution currently taking place in methods of production, it would appear that the traditionally valid distinction between profit-based companies and non-profit organizations can no longer do full justice to reality, or offer practical direction for the future. In recent decades a broad intermediate area has emerged between the two types of enterprise. It is made up of traditional companies which nonetheless subscribe to social aid agreements in support of underdeveloped countries, charitable foundations associated with individual companies, groups of companies oriented towards social welfare, and the diversified world of the so-called ‘civil economy’ and the ‘economy of communion’.<sup>461</sup>

We notice how Benedict XVI makes a step forward in respect to what the *Compendium* called ‘private non-profit organizations’.<sup>462</sup> In analysing the socio-economic reality he sees an emerging difference. If before the distinction was

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<sup>459</sup> See MCCANN, The principle of gratuitousness, in *J. Bus. Ethics*, 62.

<sup>460</sup> See above VII, 1.1.

<sup>461</sup> *Caritas*, 46.

<sup>462</sup> PONTIFICAL COUNCIL FOR JUSTICE AND PEACE, *Compendium of the Social Doctrine of the Church*. Città del Vaticano: Libreria Editrice Vaticana, 2004. 357.

possible only between companies for-profit and companies not-for-profit, today we observe something new. It is a form of business that at first sight appears as a hybrid form.

The ‘economy of communion’ of which Benedict XVI is speaking about is substantially a multi-purpose company. Without excluding the private profit of the company, Benedict XVI sees the concrete option for a substantial part of the profits to be committed in the implementation of mutual and charitable initiatives.

Benedict XVI considers the economy of communion a good hope and a practicable alternative for the future of the economic setting.<sup>463</sup> In this regard we should notice how in *Caritas* this way of enterprise is not understood as one that should replace the traditional one, but it is seen as one alongside traditional business.<sup>464</sup> This makes the proposal even more realistic.<sup>465</sup>

We can say that the idea of an economy of communion as above outlined is not an original idea of Benedict XVI.<sup>466</sup> Most likely he was influenced by Stefano Zamagni and Luigino Bruni, two Italian economists formed and influenced by the Franciscan economic theory and the Benedictine tradition. They have looked at the contribution that spirituality, charity and gratuitousness can make to economic development,<sup>467</sup> focussing then on the charisma of Francis of Assisi and Benedict of Nursia.<sup>468</sup> Bruni also sees in the Neapolitan eighteenth century tradition of Giambattista Vico and Antonio Genovesi enlightening insights for understanding the role of the market in creating relationships within the social context.<sup>469</sup> Both economists are active in pursuing theoretical economic paths that have the characteristic of being socially sustainable and economically profitable. Their studies focus on the interpersonal character of the economic activity. The key words of their analysis are: reciprocity, gift, solidarity, sustainability and subsidiarity. These ideas are reflected in *Caritas* as the requirement of *civilizing the economy*<sup>470</sup> through the ‘economy of communion’.<sup>471</sup>

We also know that the Economy of Communion is the – economic – expression of the Focolare (hearth) movement, a religious movement within the Roman Catholic Church, founded by Chiara Lubich in 1943 in Trento, Italy.<sup>472</sup> On the economists just mentioned, Luigino Bruni also adheres to this movement.

The Economy of Communion was born from an idea of Chiara Lubich when she saw the misery of the *favelas* around Sao Paulo in Brazil during a journey in 1991. The idea was rather simple. She saw that the usual charitable activity was not enough among all that desolation for fulfilling the necessity of the poor. Thus, she thought to build a system involving the participation of competent business people to

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<sup>463</sup> See *Caritas*, 46.

<sup>464</sup> See DORR, *Option for the poor and for the earth*, 377.

<sup>465</sup> See DORR, *Option for the poor and for the earth*, 378.

<sup>466</sup> See DORR, *Option for the poor and for the earth*, 375, 400.

<sup>467</sup> See L. BRUNI, *Il prezzo della gratuità* Roma: Città Nuova, 2006. 11 – 21.

<sup>468</sup> See L. BRUNI, A. SMERILLI, *Benedetta economia. Benedetto da Norcia e Francesco d’Assisi nella storia economica europea*. Roma: Città Nuova, 2008. 47 – 85.

<sup>469</sup> See L. BRUNI, *Reciprocity, altruism and the civil society*. New York: Routledge, 2008. 14 – 21.

<sup>470</sup> See *Caritas*, 38; MCCANN, The principle of gratuitousness, in *J. Bus. Ethics*, 65

<sup>471</sup> See GRASSL, HABISCH, Ethics and economics, in *J. Bus. Ethics*, 45.

<sup>472</sup> See C. LUBICH, Lezione per la laurea *honoris causa* in Economia e commercio, in V. MORAMARCO, L. BRUNI, eds., *L’economia di comunione*. Milano: Vita e Pensiero, 2000. 11 – 21.

realize an economy based on communion. In this system the business' profits are divided in three parts. One part is for the poor, for their most pressing needs. A second part is dedicated to the implementation of structures and possibilities for the formation of people inspired by the 'culture of giving'. These activities include education for new entrepreneurs, as well as for workers, through grants and the organization of courses. A third part is then re-invested in the company.<sup>473</sup>

The Economy of Communion wants to realize redistributive policies through the market. In this regard, an economy based on communion tries to enlarge the traditional perspective on the dual model of re-distribution, in which wealth is produced in the market, while the state operates if necessary to its re-distribution.<sup>474</sup> In an approach like this the market is *civilized* by making it also the place for reciprocity and gratuitousness.<sup>475</sup> Another decisive element of the Economy of Communion that coincides with what is proposed in *Caritas* is that not only the quality of the product is relevant, but also the quality of the productive process. In this sense the Economy of Communion proposes that the potential consumer will give a specific weight also to the *how* of the production process. This can be contrasted with traditional economic theory, according to which the consumer would always buy with the price as the main criterion.<sup>476</sup> Instead, the Economy of Communion assumes that the consumer is interested in the production process of the good, for instance whether there were children involved or the general working conditions.

What can be said, then about the practicability of such a model, especially in the global context? The Economy of Communion proposes a model that can be suitable also outside the Focolare movement, and even outside the context of the Roman Catholic Church.<sup>477</sup> This would mean to move from the Economy of Communion to an economy of communion. Such a possibility is concrete as far as solidarity and the concern for the other are shared.

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<sup>473</sup> See L. BRUNI, S. ZAMAGNI, eds., *Dizionario di economia civile*. Roma: Città Nuova, 2009. 333 – 334

<sup>474</sup> See S. Zamagni, *Economia e relazionalità*, in Moramarco, Bruni, *L'economia di comunione*, 57 – 58.

<sup>475</sup> L. BRUNI, *L'ethos del mercato. Un'introduzione ai fondamenti antropologici e relazionali dell'economia*. Milano: Bruno Mondadori, 2010. 167 – 168.

<sup>476</sup> See S. Zamagni, *Economia e relazionalità*, in Moramarco, Bruni, *L'economia di comunione*, 59.

<sup>477</sup> See DORR, *Option for the poor and for the earth*, 378; BRUNI, ZAMAGNI, *Dizionario di economia civile*, 344.